

JPRS 77943

28 April 1981

South and East Asia Report

No. 996

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets {} are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

28 April 1981

SOUTH AND EAST ASIA REPORT

No. 996

CONTENTS

AUSTRALIA

Briefs

- Counterterrorism Talks 1

INDIA

- New President of Karnataka Congress(1) Named
(THE HINDU, 21 Mar 81) 2
- Writer Examines Party Groupings in West Bengal
(A. S. Abraham; THE TIMES OF INDIA, 20 Mar 81) 3
- Writer Describes Communal Politics in Kerala
(K. C. John; THE TIMES OF INDIA, 21 Mar 81) 6
- Lok Sabha Approves President's Rule in Manipur
(THE STATESMAN, 20 Mar 81) 9
- Kerala Finance Minister Presents 1981-82 Budget
(THE HINDU, 21 Mar 81) 10
- Achievements of Assam Ministry Reviewed
(THE STATESMAN, 18 Mar 81) 11
- Commerce Ministry Annual Report Summarized
(THE TIMES OF INDIA, 21 Mar 81) 15
- Medical Council of India Against Reservations
(THE HINDU, 21 Mar 81) 16
- ICFTU Delhi Meeting Adopts Program Recommendation
(THE TIMES OF INDIA, 21 Mar 81) 17
- Gujarat Press Reportage Deemed Provocative
(THE STATESMAN, 20 Mar 81) 18
- Krishna Rao To Be Next Army Chief of Staff
(G. K. Reddy; THE HINDU, 21 Mar 81) 20

West Bengal Food Minister Scores Delhi Policy (THE STATESMAN, 18 Mar 81)	22
Bengal CPI Executive Resolution, Socialist's Remarks (THE STATESMAN, 20 Mar 81)	23
Reserve Bank Governor Explains Credit Policy (THE STATESMAN, 18 Mar 81)	24
Arab Plans To Convert Harijans to Islam Reported (K. N. Malik; THE TIMES OF INDIA, 21 Mar 81)	26
Lower Population Growth Found in a Few States (THE TIMES OF INDIA, 20 Mar 81)	29
Oil Ministry Withdraws Dual Pricing Scheme (THE HINDU, 21 Mar 81)	30
Railway Minister Reports Pilferage of Grains (THE TIMES OF INDIA, 20 Mar 81)	32
Steel Authority Chairman Reports Successes (THE TIMES OF INDIA, 20 Mar 81)	33
Indonesia Interested in Pellets From Kudremukh (THE HINDU, 20 Mar 81)	35
Briefs	
Marxist-Leninists to CPI(M)	36
Former Bihar Minister	36
Meghalaya Congress(I)	36
Aid From Japan	36
Export of Gems	37
Andhra Pradesh Byelection	37

INDONESIA

Five Democratic Party Representatives Recalled (KOMPAS, 28 Feb 81)	38
Indonesian Government To Float 10 Billion Yen Bonds in Japan (KOMPAS, 25 Feb 81)	40
CICA Urged To Discharge Its Supervisory Function (KOMPAS, 26 Feb 81)	42
Foreign Investment Policy Reviewed (KOMPAS, 28 Feb 81)	44
Solon Discusses Implications of Foreign Aid (Usep Ranawidjaja Interview; WAWASAN, No 4, 1980)	46

Structural Change in World Economic System Advocated (KOMPAS, 28 Feb 81)	54
LAOS	
Moscow Reports on Construction of Route 9 (Moscow Radio, 25 Mar 81)	56
NEPAL	
Government Concerned Over Adverse Trade Balance Mavin Kurve; THE TIMES OF INDIA, 20 Mar 81)	58
Briefs Customs Levies Reduced	59
THAILAND	
ISOC Official on Counterinsurgency Operations (Bangkok Domestic Service, 17 Apr 81)	60

AUSTRALIA

BRIEFS

COUNTERTERRORISM TALKS--Counter-terrorism planning will be discussed in Perth this week during the visit by a senior London police officer. Deputy Assistant Commissioner J. Dellow was involved in the successful ending of the Iranian embassy siege in London last year. The Federal Minister for Administrative Services, Mr Newman, and the Deputy Premier, Mr O'Connor, said today that the visitors would talk with senior officers in all governments. [Text] [Canberra THE AUSTRALIAN in English 23 Mar 81 p 3]

CSO: 4220

NEW PRESIDENT OF KARNATAKA CONGRESS(I) NAMED

Madras THE HINDU in English 21 Mar 81 p 9

[Text] New Delhi, March 19.

Mr K. T. Rathod, a former Minister, was on Thursday named President of the Congress (I) unit in Karnataka, to fill the vacancy caused by the resignation of Mr S. Bangarappa.

Though the post had been vacant for several months, it had not been possible to find a new chief, acceptable to all sectors of the party.

The decision put an end to the prolonged uncertainty which was responsible for a bitter controversy.

The choice of the PCC(I) Chief and other office-bearers was finalised by Mrs Indira Gandhi after a final round of discussions. The names were announced by Mr Satyanarayana Rao, Party General Secretary.

Also named were two Vice-Presidents, Mr K. Mallanna, MP, and Mr Savoor Shivanna, and six general secretaries: Mr D. Kalmankar, Mr Keshavinurti, Miss Tara Devi, Mr K. M. Ibrahim, Mr H. N. Prem Kurnar and Mr M Rajagopal. Mr Prasanna Kumar, MP, is the new treasurer.

The executive committee of 36 includes the State Chief Minister, Mr. Gundu Rao, Union Ministers, Mr Virendra Patil and Mr B. Sankaranand, Minister of State, Mr Jaffar Sherrif, Party General Secretary, Mr K. Lakkappa, Joint Secretary, Mr G. Y. Krishnan, and Mr F. M. Khan, MP.

Mr Basavalingappa, former Minister and an MLA who recently quit the Congress (U) was admitted in the Congress (I) and its Legislature Party, on Thursday.

PTI reports:

Mr S. Bangarappa, who had resigned from the presidentship of the KPCC (I) recently does not find a place in the new executive.

CSO: 4220

WRITER EXAMINES PARTY GROUPINGS IN WEST BENGAL

Bombay THE TIMES OF INDIA in English 20 Mar 81 p 6

[Article by A. S. Abraham]

[Text] If there is a sense of imminent political crisis in West Bengal right now, that is largely, if paradoxically, the CPM-led Left Front government's doing. Paradoxically, because one would expect the communists in power in the state to keep a low profile. After all, they insist that they (along with their comrades in Kerala and Tripura) are an island of progressive governance in an ocean of feudal authoritarianism, ever fearful of going under one fine day. In fact, it is the Left Front, in effect the CPM, that is giving all the appearances of spoiling for a fight with the Centre and with the Congress (I) in office there.

True, it has always been pugnacious. When the Janata was in charge in New Delhi and went out of its way to be reasonable about demands by a few opposition-run states, conspicuously the CPM, for greater fiscal and political autonomy, the CPM did not especially warm up to the Janata for that reason. It was as confrontationist towards the Centre then as it is being now with the Congress (I) which, on the demand for more autonomy for states as on so many other issues, takes a line diametrically opposite the Janata's.

Nevertheless, the CPM does have more reason to fear the Congress (I), electorally and politically, than it ever did to be wary of the Janata (which, for the most part, it led by the nose). That is why it is so melodramatically crying blue murder about the dishonourable intentions it charges the Congress (I) with harbouring towards it.

Mrs. Gandhi has said more than once, most recently at the governors' conference in New Delhi, that the Centre is not going to topple non-Congress(I) state governments. In particular, she probably had in mind, even if she did not spell it out, the Marxist or Marxist-dominated governments in West Bengal, Tripura and Kerala. While those running opposition administrations in some states do not have to believe what she says, at least in West Bengal the objective situation from her own party's standpoint suggests that she has cause to be prudent.

Factions

What she has been doing is stepping up her criticism of the Left Front administration and putting it increasingly on the defensive. But even here, her party

has not engineered local crises over certain controversial Left Front policies, such as those on language and education. The discontent over these policies has arisen spontaneously and the Congress (I), quite legitimately, has sought to use it to maximise the state government's discomfiture.

At the same time, Mrs. Gandhi has set about taking the Congress (I) state unit in hand. Its fractiousness so far has weakened its capacity to challenge the CPM politically and prevented it from consolidating the impressive gains it made in the 1978 panchayat polls when it emerged as the sole and obvious competitor of the Marxists and demonstrated that their hold on even the villages was not all that secure.

The long-standing feud between rival party factions, one led by Mr. Subrata Mukherjee, and the other by the president of the Congress (I) state unit, Mr. Ajit Panja, has been patched up (at least for now), Mr. Ashok Sen, a Congress (I) MP and former Union law minister, has reappeared on the West Bengal political stage with the authority to put the West Bengal party house in order, and a general toning up of the party structure is under way.

A further aspect of the Congress (I) strategy is the effort to build an anti-left grouping, along with the Congress (U) and the Janata state units, to contest the 90 municipal elections coming up in May, an imaginative move which appears to be meeting with some success.

Whatever its public stance, the CPM cannot seriously believe that the Congress (I) would like the Left Front administration in West Bengal to be terminated prematurely. It knows just as well as the Congress (I) does that such a dismissal would enhance the communists' chances of re-election by giving them the halo of political martyrdom. It is aware, too, that while the Congress (I) is the only party to pose a potential threat to it electorally, that party still has a long way to go before it can attain some cohesiveness and before that threat can become real. It realises that if it were to be dismissed now and President's rule introduced, the Central government, and so the Congress (I), would have to take the flak currently directed at it, especially in Calcutta and other urban areas, for making so little headway in resolving long-standing problems like the chronic shortage of power.

Strategy

Why, despite its awareness that the Congress (I) would be doing itself harm by having the Left Front government removed before next year's assembly elections, does the CPM persist in crying wolf? It may be because it genuinely fears that support for it in West Bengal is in some danger of eroding and that if the Congress (I) is able to pep itself up and, with the help of some other opposition parties, hold its own in May's civic elections as well as in the eight by-elections to be held immediately after, it will seriously challenge the CPM's dominance.

In other words, the CPM has already launched its campaign for next year's assembly poll. It is trying to drum up popular support for itself, now falling off somewhat, by making a bogeyman of the Congress (I). By building up a siege psychology in the state, it is hoping to deflect towards the Central government

the criticisms that would otherwise be levelled at it for its shortcomings. Just as the Congress (I), through its dual strategy of confronting the CPM and tightening itself up organisationally, is gearing itself for next year's poll, so the CPM is readying itself for the same contest by harping on how the Left Front government in West Bengal can fall victim to Congress (I) caprice.

To be fair, the CPM has done quite a good job of running West Bengal in the last four years or so. It has made education free right up to class XII, it gives primary schoolchildren free books and free lunches, it has registered vast number of sharecroppers and secured their interests, it has held panchayat elections (after a lapse of some 18 years) and decentralised the rural administration.

But there is a negative side to the picture. Its indifference to urban problems has alienated it from city-dwellers among whom discontent, concentrated as it is in a relatively small area, can have much greater spin-off effects throughout the state than widely scattered rural disaffection.

Its bypassing of the bureaucracy at all levels, especially in the villages, and its reliance on party cadres to perform administrative functions has had an unsettling effect in many areas and earned it fresh antagonists. Its appointment of party loyalists to judicial posts has undermined public confidence in the impartiality of judicial decisions and aroused fears that these appointments are but one step away from the establishment of "people's courts", meting out summary justice to "class enemies".

Nervous

Its language and education policies, not least the packing with its own nominees of crucial bodies to run the state's six universities it has taken over (the seventh, Vishwabharati, is a Central institution) have turned against it even those sections of the middle-class otherwise favourably inclined to it.

Its sharpening differences with its coalition partners in the Left Front have weakened its influence in the areas of radical support they have long nursed. The resurgence of Naxalism, as the recent seizure of guns in West Dinajpur district shows, could eat into its base of support among the economically more desperate sections of the poor and the oppressed, even as the growing strength of the Tripura Upajati Juba Samiti has taken away much of the support it once enjoyed among Tripura's tribals.

Nor can it feel very confident of its radical appeal in a situation where the left remains as badly divided as ever (Mrs. Roza Deshpande's All-India Communist Party is the latest nail in the coffin of leftist unity). The CPM, moreover, has yet to redeem itself in the eyes of those even more radically inclined who have not forgiven it for compromising its principles in its struggle for the loaves and fishes of office in a "bourgeois democracy".

It would be wrong to argue that all this points to the decline of the CPM in West Bengal (and in Tripura). The long years of patient, assiduous ideological cultivation in which it has engaged cannot so easily be written off. But the shrill near-hysteria of its public declamations against the Centre cannot disguise that what it is really nervous about is not its immediate future in office, but its ability to preserve such ideological and electoral gains as it has made, let alone to build on them. This is the true nature of the confrontation between it and a now much more assertive Congress (I).

WRITER DESCRIBES COMMUNAL POLITICS IN KERALA

Bombay THE TIMES OF INDIA in English 21 Mar 81 p 8

[Article by K. C. John]

[Text] Trivandrum: The National Democratic Party (NDB) is spearheading a movement of the "forward" communities in Kerala for the reservation of jobs in government services and seats in educational institutions on the basis of economic backwardness. The existing caste-based system of reservation for the backward classes and Harijans, it says, is a violation of the constitutional guarantee of equal opportunities to all.

The benefits of reservation, it claims, are "cornered" by the wealthy few among the backward communities by producing fictitious income certificates. The poor, who really need the concessions, are driven to the wall. Several instances of such manipulation have come to light.

The inequity of all this is underscored by the fact that the poverty line among the forward communities, particularly, the Nairs, has moved up, thanks partly to land reforms and partly to job reservations for the backward classes. The Nairs are ventilating their grievances through the NDP, the political wing of the powerful Nair Service Society. The party's demand is that the poor in all communities must be treated alike and it has the tacit support of another forward community--the Christians.

The seeds of the present communal confrontation in Kerala were sowed in the first decade of this century in the then princely state of Travancore. In fact, the Sree Narayana Dharma Paripalana Yogam (SNDP) was founded way back in 1903 "to promote and encourage religious and secular education and industrious habits among the Ezhavas." A few years later the Nair Service Society was registered to protect the interests of the community.

During the twenties, the leaders of the Thiya community in Malabar (Ezhavas are known as Thiyas in northern Kerala) presented a memorandum to Lord Pentland, governor of erstwhile Madras Presidency, requesting communal representation (even by nomination) in the Madras legislative council and local bodies. They told the governor that "our loyalty and attachment to British raj, under which we enjoy the blessings of peace and order, cannot be exaggerated." This marked the second stage of the movement.

Third Phase

Its third phase opened in the thirties when the Ezhavas, Christians and Muslims began to act in concert, /(*nivarthanam*)./ [in italics] Their object was to secure representation in government services. Until then, government jobs were traditionally the virtual monopoly of the Nairs and, to a lesser extent, the Brahmins. In the late thirties, "*nivarthanam*" spearheaded the political battle for responsible government in Travancore, while the freedom struggle was gaining strength in British Malabar. In the forties, however, it soft-pedalled its communal demands and joined the socially-privileged Nairs in the struggle for freedom. But soon Travancore's ruler opened the temples to Ezhavas through a proclamation and they, along with Muslims and Christians, managed to secure a few jobs in the government too.

After independence, the reservation issue came to the fore again because in industrially backward Kerala, the government was the main employer. The expansion of educational facilities accentuated the problem. Job-seekers from the state had, in fact, begun migrating to industrial centres like Bombay long before the advent of freedom.

The backbone of the feudal aristocracy, represented by the Nairs, a minority community, was broken with the implementation of land reforms and other measures aimed at emancipating the depressed classes. Improvement of the Nairs began with these changes. The conflicts of interest between the Nairs on one side and the Christians, the Ezhavas and the Muslims on the other thus sharpened. But in course of time the enterprising Christians, with their educational institutions and close-knit society, became a prosperous community. Thus they got bracketed with the Nairs while the Ezhavas and the Muslims remained in the backward list.

The NSS, under the leadership of Mr. Mannath Padmanabhan Pillai, had meanwhile, developed into a powerful instrument to protect Nair interests. With his uncanny sense of anticipation, he inspired the demoralised Nairs--who had lost most of their landholdings and monopoly in government service by the middle of the century--to go in for educational and industrial enterprises. The community's feudal outlook thus changed rapidly, though it was slower to come to terms with the rise of the Ezhavas and the Muslims.

Zenith Reached

Indeed, the Nairs combined with the Christians to dominate for the time being the political scene while the backward communities were forced into the arms of the communist and other left parties. The growth of the left movement in Kerala was thus an outcome of communal conflict. Indeed, the strength of all parties in Kerala is even today rooted in the support of particular communities.

The Christian-Nair solidarity had reached its zenith in 1964 when the Kerala Congress was formed. But after the death of Mr. Mannath Padmanabhan (he had abandoned the caste suffix "*Pillai*"), the Nairs got disillusioned with the Kerala Congress and founded their own political party, the National Democratic Party. This was the first political party to demand that the only criterion for reservations in educational institutions or jobs should be economic backwardness.

The Ezhavas reacted by launching the Socialist Republic Party (SRP) to fight for continued reservation for all members of the backward communities regardless of their economic status. But the SRP, unlike the NDP, did not make much headway because most of the Ezhavas were already committed to support one leftist party or the other.

Just before the formation of NDP and SRP, a commission headed by Mr. Nettloor P. Damodaran had recommended reservation of government jobs and seats in professional colleges for 12 backward communities, including backward Christians and Harijan converts to Christianity. Thirty-five per cent of the government posts were to be reserved for the backward classes, besides the ten per cent guaranteed already to the scheduled castes and tribes. Thus only 55 per cent of the government posts would be open to be filled on merits. The commission also sought to exclude the rich among the backward communities by stipulating that members of the "backward" families whose annual income was Rs. 8,000 or more would not get the benefits of reservation. The income limit was subsequently raised to Rs. 12,000. The candidates of the backward communities could compete for the open seats too.

Predictably, no one was satisfied with the commission's proposals and they were shelved. The government announced that a new commission would be set up to study the question in all its details. It has yet to be appointed.

LOK SABHA APPROVES PRESIDENT'S RULE IN MANIPUR

Calcutta THE STATESMAN in English 20 Mar 81 p 9

[Text] New Delhi, March 19.--The Lok Sabha today approved the imposition of President's rule in Manipur as well as the State's budget for 1981-82 after a three-hour debate, reports UNI.

Replying to the debate on the resolution, the Minister of State for Home, Mr Yogendra Makwana, justified the imposition of President's rule under the prevailing circumstances, and said that the Centre was alive to the needs of the people in the north-eastern region.

He said the allocation for the State had been increased from Rs 1.55 crores in 1951-56 to Rs 240 crores in the revised Sixth Plan. This showed that the Centre was keen on the economic development of the region.

The Minister of State for Finance, Mr Maganbhai Barot, reiterated that the Centre was concerned at the development of North-Eastern states.

Mr Barot was replying to the debate on the Manipur budget for 1981-82 and the supplementary demands for grants for 1980-81.

Mr Barot said a high-power committee had been set up with Mr Makwana as convener to look into the growth of the North-Eastern States. He stressed that care was being taken for the "overall development" of the region.

The Manipur Budget for 1981-82 provides for a Plan outlay of Rs 43 crores, which would be fully met from Central assistance.

Along with the budget and the supplementary demands, necessary appropriation bills were also passed.

Earlier, Mr N. Gouzagin said more than 32% of the population in Manipur lives in the hill areas, which were almost inaccessible. He demanded a network of roads and completion of the hydro-electric project.

KERALA FINANCE MINISTER PRESENTS 1981-82 BUDGET

Madras THE HINDU in English 21 Mar 81 p 1

[Text]

TRIVANDRUM, March 20

The Kerala budget for 1981-82, presented in the State Assembly today by the Finance Minister, Mr. K. M. Mani, shows an uncovered deficit of Rs. 8.90 crores after providing Rs. 21.08 crores for new schemes and measures.

The major additional taxation was an eight per cent sales tax on aviation turbine fuel purchased by Air India and Indian Airlines for use in international flights from Trivandrum. The Finance Minister did not say how much he hoped to net from this impost which was roundly condemned by the Opposition leaders as "cheap, ill-considered and vindictive".

Three other measures by which the Finance Minister hoped to raise more resources were a 10 per cent increase (from 40 to 50 per cent) in excise duty on Indian-made foreign liquor on the first sale point (to net Rs. 2 crores), a seven per cent sales tax on handloom silk fabrics brought in for sale from outside the State (to yield Rs. 1 crore) and compounding of entertainment tax as a percentage of the gross collection capacity in the theatres.

The budgetary transactions under the various heads of account—Revenue, Capital and Debt—would result in an overall surplus of Rs. 1.34 crores during the fiscal year 1981-82. The budget estimates total receipts at Rs. 1,726.11 crores and the total expenditure at Rs. 1,727.77 crores.

The Opposition leaders criticised the budget for the absence of measures to generate employment and measures to revive the sick traditional industries, and described it as a "status quo budget".

The Finance Minister announced a series of welfare measures besides

restructuring the tax structure to benefit small and marginal farmers, traders and also small and medium newspapers in the State.

The reorganisation of the tax structure will also yield Rs. 43 lakhs.

Centre criticised: The Finance Minister prefaced his budget speech with a severe indictment of the Centre's financial policies and its attempts to encroach upon the financial autonomy of the States.

Listing these policies and highlighting the "harm" they did to the State economy, the Finance Minister said "the emergence and perpetuation of such authorities, functions and processes, never even dreamed of by the makers of the Constitution", had compelled the State to "seek the formulation of a more equitable and flexible scheme of devolution of resources and healthier pattern of Centre-State financial relationship".

The Finance Minister announced a number of relief measures which included abolition of employment tax, waiver of purchase price due from kuthudappalams (thatched dwellers) owing out arrears of rent under the Land Reforms Act, a cent per cent increase in the monthly allowances from Rs. 50 to 100 for backward teachers, better pensionary benefits, and free electricity to domestic consumers utilising up to only 10 units per month.

Pension for disabled: To mark the International Year of the Disabled, a separate pension scheme for the disabled has been announced under which a monthly pension of Rs. 75 will be given to a disabled person who does not have any means of support.

Farm-cum-workshop for the mentally retarded in the mental hospitals, and district, regional and central rehabilitation centres for the benefit of the handicapped are also proposed.

The Finance Minister announced separate welfare funds for cow handloom and cashew workers, each having a deposit of Rs. one crore.

Two autonomous bodies, one a soil conservation authority and the other a ground water authority, are to be constituted with a view to tapping institutional finance and taking up programmes beneficial to marginal farmers.

Relief for small newspapers: By way of relief to small and medium newspapers burdened with the 15 per cent customs duty on imported newsprint levied under the Central budget, the Finance Minister announced exemption from sales tax liability on the annual purchase of newsprint up to the first Rs. one lakh by small newspapers and up to the first Rs. two lakhs by medium newspapers.

Dental college: The Finance Minister also announced the proposal for a new dental college and a nursing college at Kothikode and another nursing college at Kottayam during the coming year. An amount of Rs. 75 lakhs is set apart for this.

Mr. Mani also announced several relief measures to benefit the farmers. Like exemption from sales tax on fertilisers used by farmers for paddy cultivation, concluded his remarks saying that he "conceived the budget not merely as a financial statement, but also as an instrument of social and economic transformation in consonance with the needs and aspirations of our people".

ACHIEVEMENTS OF ASSAM MINISTRY REVIEWED

Calcutta THE STATESMAN in English 18 Mar 81 p 7

[Text] The present Ministry in Assam was installed in an atmosphere of uncertainty on December 6 last year. Frequent bandhs and non-cooperation by employees who supported the agitation over the foreigners issue had almost paralysed normal life in the State. Development activities had come to a standstill. School and college examinations had remained postponed for two consecutive years.

The foremost tasks facing the new Government were to restore public confidence in the administration, revamp and reorganize the administrative machinery and restore law and order so that development work could be taken up with renewed vigour.

Within a week of its installation, the Government was able to bring the situation under control. Although the Government believes that the people have the right to start an agitation to press their legitimate demands, it had to take some unpleasant decisions to safeguard the interest of the general public. Action had to be taken against those who violated prohibitory orders and resorted to violence. In order to prevent the publication of distorted and misleading reports by a section of the press in Assam, certain restrictions had to be imposed. This had the desired effect and helped in defusing the situation to a great extent.

Confidence Restored

Before the new Ministry came to power, there were feelings of uncertainty and apprehension among all sections of the people, especially the minorities. Now near normal conditions prevail everywhere. Educational institutions have started functioning; offices are working regularly; normal commercial activities have been resumed. National parties which could not function for more than one and a half years since mid-1979 are active once again. Confidence of the minorities has been restored.

The Centre has been asked to pay special attention to Assam's problems. It has responded readily by sanctioning some of the long-standing demands.

Immediately after the assumption of office the Government increased the wages of its employees. This cost the exchequer Rs 18 crores.

Transport difficulties have stood in the way of economic development and national integration for a long time. The construction of a broad gauge line between New Bongaigaon and Gauhati is progressing and efforts are being made to complete this according to schedule. Six new railway lines have been proposed for this region. When completed they will not only benefit Assam but also other north-eastern States and Union Territories.

With a view to improving road communications several important roads have been declared as National Highways. Work on the National Highway No 52 will be taken up soon. Two major bridges, one over the Jia Bharali in Darrang district and the other over the Barak in Cachar district, will be constructed at a cost of Rs 8 crores and Rs 7 crores, respectively. A new road linking Gauhati with Goalpara via Barpeta has been proposed. This will immensely benefit the people of the area.

Rural Schemes

About 600,000 hectares are now under high yielding varieties of rice as against 350,000 hectares last year. Priority has been given to improve agriculture. More attention is being paid to rural development schemes. Weaving, cottage industries, fishery and dairy development are being encouraged. Schemes are afoot to provide drinking water facilities in 60 per cent of the State's villages. The rural health programme has also been geared up.

A special scheme--"White Revolution"--has been taken up in Goalpara, Kamrup, Nowgong and Cachar Under Operation Flood No. 2.

A training institute for firm management has been opened at Rani in Kamrup district to encourage rural youths to set up industries based on agriculture and allied subjects. A buffalo breeding centre is functioning at Dalchera in Cachar district. A dairy training centre has been opened at Gungoor.

A Fisheries Development Corporation has been set up to help poor fishermen and encourage fisheries. Efforts are being made to make it more effective. Some officers of the Fisheries Department will be sent out for training. The Deepar beel will be developed for fishery. It will be connected with Gauhati by a ropeway to make it a tourist attraction.

The proposed changes in medical set up are aimed at providing proper facilities to every citizen. They include the upgrading of the Lokpriya Gopinath Bardoloi T.B. Hospital at Gauhati, establishment of a regional medical institute at Gauhati and introduction of a pharmacy course at Gauhati and Silchar.

The Government proposed to take over three blind schools and improve the Gauhati Blind School. A sum of Rs 36,000 has been sanctioned for the education of disabled persons. They will be given jobs after the completion of their studies.

A scheme to encourage bamboo cultivation has been taken up to feed the two giant paper mills now under construction. A separate cell under the Public Works Department has been formed to look after plantation of trees on road sides to help maintain ecological balance.

Major Achievements

Starting of the third level air service--Vayudoot--and setting up of a regional office of the Tea Board of India at Gauhati are the two major achievements of the new government. Companies having major part of their business in Assam have been requested to shift their head offices to the State.

A new public distribution system has been introduced from March 1 to see that essential commodities reach every nook and corner of the State.

A Minor Irrigation Corporation, an organization aimed at covering 60 per cent of the small and marginal farmers under small and medium irrigation projects has been set up.

A decision has been made to entrust the responsibility of executing the food for work scheme to panchayats. The Government has ensured regular payment of wages to panchayat workers.

A sum of Rs 5 crores has been earmarked for construction of school buildings. Arrangements have been made to bring 1700 MT of corrugated iron sheets and 5000 MT of cement for this purpose. Stipends to students, held up earlier, were cleared.

In order to remove disparity in employment the Government wants to ensure equal representation of all communities.

The existing power capacity will be increased by exploring all available resources.

A three-star hotel will be constructed at Gauhati in collaboration with the India Tourism Development Corporation. An agreement to this effect has been signed recently.

The Government is trying to utilize a large quantity of polyester fibre produced at the Bongaigaon Refinery and Petrochemical Complex. The Industrial Development Corporation has prepared a scheme to set up two spinning mills. Two more have been proposed in the cooperative sector. Private industrialists have been invited to invest in the projects. When these projects are ready it will be able to provide jobs to a large number of people.

Two jute mills, one at Barpeta and the other at Nowgong, will be set up in the cooperative sector. A mini cement factory has been proposed at Haflong.

The Centre has agreed to Assam's proposal for a Television Centre at Gauhati.

The administration is being reorganized to make it more people-oriented. On the completion of 100 days of the present Ministry the Government hopes that it will be able to implement its numerous development plans with the active cooperation of the people and looks forward to making Assam a happy and prosperous State.



Smt. ANWARA TAIMUR

CSO: 4220

COMMERCE MINISTRY ANNUAL REPORT SUMMARIZED

Bombay THE TIMES OF INDIA in English 21 Mar 81 p 7

[Text]

NEW DELHI, March 20.

THE export target of Rs. 7,100 crores for 1980-81 is expected to be achieved despite a sharp deterioration in the external trade during the year.

The trade deficit is expected to rise to more than Rs. 4,000 crores according to the annual report of the commerce ministry.

The slow growth in exports can be attributed to both external and internal factors. Both the demand and supply factors which contributed to a rapid increase in exports in the early 1970s have been operating in the reverse direction for the last three years. The recessionary situation in the global economy and protectionist policies like quota reservations and quality control measures followed by certain developed countries affected India's exports adversely.

Several policy measures were initiated during 1980-81 to generate larger exportable surpluses and stimulate exports keeping in view the widening trade gap and the objective of progressive achievement of self-reliance.

The government has decided to allow automatic expansion to an expanded list of industries for the purpose of increasing export production and to relax selectively the restrictions on new industrial units in metropolitan cities in undertakings which produce for export.

These measures and others like the proposed export-import bank make

for "reasonable expectation" of a sustained export growth.

Tobacco, coffee, rice manufactures, raw cotton, iron ore and chemicals and allied engineering goods, chemicals and allied products, gems and jewellery are now showing signs of recovery.

The report, however, notes that export earnings of commodities like marine products, sugar and sugar preparations, spices, oilseeds, leather and leather manufactures and iron and steel are likely to decline.

Noting that the increase in the imports of some major items, including non-ferrous metals and iron and steel, was caused by a fall in the output of aluminium and others, the report says efforts are being made to revive the economy and increase the output to reduce the dependence on imports. It would take some time for the measures to bear results.

Meanwhile, Indian investment in 114 joint ventures in operations abroad amounts to Rs. 20.5 crores, says the report. There are 92 such ventures in various stages of implementation.

The report says the investment by way of equity participation is mainly effected through exports of capital equipment and cash remittances.

Spread mostly over S.E. Asia and Africa, the joint ventures are in the fields of light engineering goods, textiles, consultancy and trading.

MEDICAL COUNCIL OF INDIA AGAINST RESERVATIONS

Madras THE HINDU in English 21 Mar 81 p 6

[Text]

NEW DELHI, March 20

The Medical Council of India, a statutory established body of professionals to maintain standards in medical education, has come out strongly against any type of reservations in admission to medical colleges either at the undergraduate or post-graduate level.

The opposition of the council to the reservation policy in medical admissions, expressed by its President Dr B. N. Sinha, at the council meeting here yesterday, assumes significance in the context of the current agitation in Gujarat and the unanimous stand taken by the Lok Sabha in favour of reservation.

This is not the first time that the Medical Council has opposed reservation in medical college admissions but it has now expressed this opinion with greater force and with a certain amount of anguish.

"I, for one, am unable to understand where we are heading to, except chaos in the field of medical education", observed Dr Sinha in the course of an exhaustive survey of the present situation in medical education and health care.

Dr Sinha recalled that the Medical Council had laid down certain rules for the selection of students to medical colleges, and these were mandatory. But every attempt was being made by the State Governments to bypass these regulations and provide for all types of reservations, besides attempting to abandon the minimum marks required for admission to medical colleges.

He said that in response to requests from the Central Government, the council had agreed to the lowering of the minimum marks for admission from 50 per cent to 40 per cent in the case of Scheduled Caste and Scheduled Tribe candidates. But he regretted the State Governments were vying with one another to include

backward classes also under the reserved category and to lower the minimum marks to 40 per cent even for these candidates.

Criticism of Merit for PG Courses
In regard to post-graduate courses, Dr Sinha reiterated the Medical Council's view that selection of students should be purely on the basis of merit. He felt that there should be no restriction of any kind on the students of one part of the country obtaining their post-graduate training in another centre.

Dr Sinha also came out against capitation fee colleges, being permitted by the Karnataka Government. He regretted that though the Council had been told that the Central Government was against "capitation fee" medical colleges, necessary action had not been taken by the Centre to prevent it. The example of Karnataka was being followed by a private medical college in Vijayawada in Andhra Pradesh. The council had also been receiving letters from various parts of the country seeking permission for such colleges.

'Nominations' Opposed: Dr Sinha took exception to provision of seats in some medical colleges for persons donating large sums of money or providing special facilities. There were also instances of Chief Ministers nominating candidates to medical colleges and State Governments permitting the management of private medical colleges to nominate their own candidates. These were all illegal practices which should be prevented, he added.

Dr Sinha reiterated the council's opposition to starting of short-term medical courses. He questioned the need for such courses when even now a large number of young doctors were leaving the country for want of sufficient employment opportunities and career prospects.

The council had suggested in place of the short-term medical course a two-year high level para-professional

course to train multi-purpose health workers who could function at levels below sub-centres for delivery of health care, promotion of health education and other related health activities. He dismissed the contention, often made, that doctors were not willing to go to rural areas.

Where are the positions where these doctors are required to work, and what is the security of life and property that the Government is offering them? Where is the minimum accommodation for the doctors to work and where is the shelter for them and their families? What about the requirements of paramedical staff and drugs? These were some of the questions, Dr Sinha raised.

Dr Sinha had a dig at those who often criticised the present medical education system as one "not tuned to meet the requirements of the country" and that our doctors were not suitable to work in rural areas. He said the council had made a critical analysis of the comments made about the curriculum but was astonished to find that in the large amount of criticism that had been made there was not even one concrete suggestion to guide the council in finding out what was wrong and how it could be remedied.

The curriculum committee of the council had come to the conclusion after examining the present curriculum that there was no need to modify it. It felt that the fault lay not in the curriculum, but in its implementation due to factors outside the control of the Medical Council.

Dr Sinha urged the Centre to approve the amendments to the Indian Medical Council Act, which had been under consideration for over six years. This would give the Medical Council the necessary teeth to exercise effective control and maintain standards in medical education.

ICFTU DELHI MEETING ADOPTS PROGRAM RECOMMENDATION

Bombay THE TIMES OF INDIA in English 21 Mar 81 p 9

[Text] New Delhi, March 20.

Positive support to the Brandt report calling for recycling of resources through massive transfers to developing countries was pledged today by a world conference with trade union representatives from over 60 countries participating.

The closing session of the three-day conference on trade union role in development organised by the international Confederation of Free Trade Unions adopted what it described as the main elements of a global programme for balanced development.

A formal report containing the recommendations, to be known as the Delhi declaration, will be presented by the ICFTU to the chairman of the Mexico summit in October. The report will be finalised by the executive board of the ICFTU in July.

The conference was opened by the Prime Minister and among others who addressed the delegates were the Union finance minister, Mr. R. Venkataraman, and the chairman of the economic administration reforms commission, Mr. L. K. Jha.

Another highlight of the conference was the participation of a delegation of Solidarity, the Polish independent union.

According to the conference document, the alternative to the global economic crisis, marked by intolerable poverty of 800 million people in the developing world and possibilities of a further rise in unemployment in both north and south, lies in the acceptance of the one world concept.

"It involves a change in the direction of economic policy in industrialised countries, more effective development policies for the people of the third world, a massive transfer of financial resources to developing countries, a global energy compact, reforms in the international monetary system--in short a new economic and social order," the document said.

Further, it suggested a much greater emphasis in developing countries on programmes to satisfy basic needs and invest in human development as well as increased industrial and agricultural output with the objective of bringing about self-sustaining growth and large-scale job creation.

GUJARAT PRESS REPORTAGE DEEMED PROVOCATIVE

Calcutta THE STATESMAN in English 20 Mar 81 p 9

[Text] Ahmedabad, March 19.--Sober elements in Gujarat are disturbed over the questionable role played by the local Press during the anti-reservation agitation, which has been rocking the State for more than 45 days.

Many believe that the zeal shown by the local dailies in overplaying the stray incidents of violence, publishing unsubstantiated rumours and giving a one-sided picture of the situation helped the agitation smoulder after the violence had abated to some extent by February 8.

A sociologist, an objective student of the Gujarat scene, has gone to the extent of accusing the Press of provoking the "Sawarnas" to join the agitation as a class.

The Press in this city is dominated by caste Hindus whose sympathy obviously lay with the middle-class medical students demanding abolition of reservations in post-graduate medical courses. Rivalries among newspapers and one-upmanship are said to be responsible for some of the journalistic outrages committed during the agitation.

Numerous stories of atrocities were published, that would not stand scrutiny, but two or three of them are glaring ones, which reveal how wittingly or unwittingly attempts were made to provoke Sawarnas against the Scheduled Castes. [as published] True, in the initial stages of the agitation, the Scheduled Castes had retaliated against the Sawarna attacks with force, but often newspapers reported mobs of thousands of Harijans attacking high-caste Hindu houses or localities.

The Temple Lie

Some dailies published a story in bold headlines that a famous Jain temple in the strife-torn city was attacked by a mob of Harijans. The story created a sensation. But Police inquiries reveal that no such attack took place. In the troubled period, a scuffle took place in the vicinity of the temple, during which a stone or two flew into the temple premises. But this was described as an attack on the temple by a rioting Scheduled Caste mob. The Government later denied the story but many people in Gujarat still feel that there must have been some substance in it.

During the entire course of the agitation, not a single case of rape, molestation or missing women was registered by police. And yet, there have been hints in the Press that Harijan mobs molested high-caste women.

Press reports said that a marriage procession in the city was attacked by Harijans and women were molested on February 22. Inquiries reveal that though the hall in question was booked for a wedding, it was cancelled because of the disturbances. The State Government later clarified that not a single wedding took place during the month of the disturbance. But the impression created by the Press stories--that high-caste women and girls were being molested by Harijans--persisted.

A story is still circulating in the middle class homes of this city that a ladies' hostel in a posh locality was attacked by a mob of 5000 Harijans and a couple of girls were molested before the police intervened. This story found place in the dak edition of a daily but was mercifully withdrawn at the intervention of the Government.

Some journalists complained that on many occasions the police, whose credentials have become suspect because of their sneaking sympathy for anti-reservationists, misled the Press by giving reports based on telephone calls. [as published] Newspapers and magazines published accounts of Harijan attacks on Sawarnas but ignored or gave left-handed treatment to incidents of atrocities on Harijans.

Mr Jayanti Subodh, organizing secretary of the Gujarat Akhil Bharatiya Anusuchit Jati Parishad, said in an interview that the Press had been partisan in favour of the anti-reservationists. They either blacked out the side of the Harijans or presented them in unfavourable colours. Similar complaints were voiced by Dr S. K. Purani, president of the Scheduled Castes and Tribes Doctors and Medicos Welfare Association.

Mr Niranjan Parikh, vice-president of the National Confederation of Newspapers and News Agencies Employees' Federations, has demanded an inquiry into the role of the Gujarati Press in the disturbances. He said he was taking some of the cases to the professional bodies of the journalists.

The State Governments public relations skill proved woefully inadequate. [as published] The Government had abolished the carry-forward system on January 9, a fortnight before the agitation took an ugly turn. And yet in the middle of February, the agitating medicos and some of the newspapers were arguing that the reservation system robbed the meritorious students of their opportunities.

The Government did little to publicize facts. Even to elicit statistics on the impact of the reservation system was a difficult task. And whatever statistics the Government did release rarely found place in the newspapers. Nor did the Government make any attempt to hold any Press briefings.

KHRISHNA RAO TO BE NEXT ARMY CHIEF OF STAFF

Madras THE HINDU in English 21 Mar 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, March 20.

The Government announced today the appointment of Lt. General K. V. Krishna Rao, General Officer, Commanding-in-Chief, Western Command, as the next Chief of the Army Staff with effect from June 1, 1981, following the retirement of the present Chief, General O. P. Malhotra, on completion of his full three-year tenure.

The Prime Minister, Mrs. Indira Gandhi, called Lt.-Gen. Krishna Rao to Delhi yesterday from his headquarters in Simla to convey the Government's decision and personally congratulate him on his appointment to this key post in the country's defence organisation.

The new Army Chief, who was born on July 16, 1923, has just two years left for his retirement at the age of 60, which means he will not be able to complete his full three-year tenure. But in selecting him for this top Army appointment, the Government has strictly adhered to the established procedures based on both seniority and experience.

Though the present, GOC-in-C of the Eastern Command, Lt.-Gen. E. A. Vas, was technically senior by a month to Lt.-Gen. Krishna Rao, he was due to retire on May 31, 1981, on the same day as Gen. Malhotra by a strange coincidence. He reaches the prescribed retirement age of 58 for a Lt.-General on May 14, but the revised rules provide for the actual relinquishment of charge at the end of the month to suit the administrative convenience of the Government.

The Government saw no reason at all for overlooking Lt.-Gen. Krishna Rao's legitimate claim by giving Lt.-Gen. Vas a technical extension to enable him to qualify for selection as the next Army Chief and to carry on for two years till the age of 60. The choice finally fell on Lt.-Gen. Krishna Rao not only because the Government did not want to deprive him of his due promotion by granting Lt.-Gen. Vas an extension, but also because it was felt that on balance he had better battle and command experience.

The Army circles have warmly welcomed Lt.-Gen. Krishna Rao's appointment as a well merited choice fully in keeping with the country's military traditions. He is highly respected by his fellow officers and men for his outstanding qualities of leadership and warm relationship with those under his command, whether in staff jobs or field formations.

The Government is thinking of offering a senior civilian job to Lt.-Gen. Vas on his retirement as a well-meaning gesture to reassure him that, in adhering strictly to the promotion procedures, it had not done any injustice to him. It will be placing on record his equally meritorious service which would have normally qualified him to be considered for the top Army post.

The one and only occasion in the last 32 years when seniority was overlooked in the appointment of an Army chief was in 1974 when the late Lt.-Gen. P. S. Bhagat was bypassed and Gen. T. N. Raina was appointed. But otherwise the seniority rule has been strictly observed in selecting the senior most Lt.-General for the post.

Born on July 16, 1923, Lt.-Gen. Krishna Rao was commissioned into the Army on August 9, 1942. He saw action in Burma and the north-west frontier during World War II and took part in Kashmir operations immediately after Independence. He participated in the liberation of Bangladesh as Commander of a division that captured Sylhet, which earned him the Param Vishist Seva Medal for "displaying outstanding leadership, courage, determination and drive."

Lt.-Gen. Krishna Rao will be the twelfth Chief of the Army after the last British Commander-in-Chief, Gen. Sir Roy Bucher, left in early 1949, clearing the way for appointment of Gen. K. M. Cariappa as the first Indian chief in the wake of Independence.

Apart from Gen. Cariappa, three other former chiefs--Generals S. M. Shrinagesh, K. S. Thimayya and P. Kumaramangalam--were from the South which spoke well of a region that was dubbed as non-martial during British rule.

WEST BENGAL FOOD MINISTER SCORES DELHI POLICY

Calcutta THE STATESMAN in English 18 Mar 81 p 3

(Text) **MR** Sudhin Kumar, Food Minister, told the West Bengal Assembly on Tuesday that delay on the part of the Centre in handing over the responsibility of procuring and distributing foodgrain from the Food Corporation of India to the State Government was politically motivated. He was making a statement in the House on the latest position on the issue.

Mr Kumar said that throughout 1980 and till February 28, the FCI had been insisting on handing over the responsibility to the State Government. But on March 10 it categorically refused to do so. After allowing employees to disrupt the public distribution system between February 23 and March 1, the Centre now wanted to postpone the change-over indefinitely. "The conclusion is inescapable that both the insistence and this volte face are politically motivated," he remarked.

The Minister further said that the Central Government might at first have thought that the State Government would not be able to shoulder the responsibility. Now that the West Bengal Government was willing, the Centre had realized that it had in the FCI an instrument which could be used to disrupt the rationing system and thereby cause difficulty and embarrassment to the State Government.

The Minister said that in course of discussions with senior officials of the Union Food Ministry and the FCI in Delhi on March 18, "we were told that a petition by employees for absorption in the FCI

was pending before the Supreme Court. Until the Court's order was received, the Union Government could not agree to direct the FCI to send back members of the deputation. "Curiously enough, when we had informed the Central Government and FCI officials on February 10 of the petition before the Supreme Court, we were told that since there was no injunction, no difficulty was anticipated in effecting the staff transfer," the Minister said.

The Minister further said that some members of the deputation had been agitating for some time demanding absorption in the FCI. The State Government had permitted them, in writing, to do so. Despite that, the agitation had intensified. During the last week of February supplies to the ration shops were almost stopped. In view of the stand of the members of the deputation the State Government had decided to take over operational functions from the FCI without any further delay (from April 1).

The Food Minister told the House that the State Government would not sit idle while the Centre took time over making up its mind. "We are taking all necessary steps to complete our own preparations for the take-over and will bring before the people all lapses and failures of the FCI to meet its obligations," he added.

Replying to a calling attention notice by Mr Rajam Kanta Doloi (Cong) regarding "closure of concrete pipe manufacturing units,

the Food Minister said that during the current quarter, 40 manufacturers had already got an allotment of 3144 tonnes of cement. Therefore, there was no reason why there should be closure in the pipe manufacturing units for want of cement.

During question hour Mr Kamal Guha, Minister for Agriculture, said that potato growers would get

compensation under the crop insurance scheme in the areas where the potato crop had been affected by natural calamities this year.

Replying to another question on groundwater resources, the Minister said that the Government was contemplating measures to reduce water tax in the areas served by the Minor Irrigation Corporation.

Replying to a question on the annual expenditure of the Calcutta State Transport Corporation, the Transport Minister, Mr Mohammed Amin, said that it amounted to Rs 22.28 crores. This had been calculated on the average annual expenses during the past four years. The cost of diesel accounted for 89.9% of the expenditure, he said.

Replying to another question, Mr Amin said that the comprehensive plan for development of the city's transport system was under way with a \$36 million loan from the World Bank which would be routed through the Central Government. The plan envisaged, among other things, purchase of 336 new buses, including 291 double deckers.

Mr Prasanta Sur, Minister for Local Government and Urban Development, said that the target date for completion of the Second Hooghly Bridge was December 1983. But much depended on how finance and raw material for the project arrived from the Centre. So far, Rs 27 crores had been received, against the revised estimated project cost of Rs 142 crores.

In reply to a question, Mr Debabrata Bandopadhyay, Jail Minister, told the House that there was a proposal to set up a special jail for women prisoners. The site had not yet been selected. But efforts were being made to acquire suitable land near the Eastern By-pass near Salt Lake.

BENGAL CPI EXECUTIVE RESOLUTION, SOCIALIST'S REMARKS

Calcutta THE STATESMAN in English 20 Mar 81 p 3

[Text]

THE executive committee of the West Bengal CPI has accepted the CPI(M)'s proposal to set up united citizens committees with Left Front constituents, CPI and other progressive elements, to contest the municipal elections.

In a resolution it has not only agreed to the proposal for joint campaigns but also decided to accept the responsibility of running the municipalities in the event of a victory of the Front and its allies. It has also decided to campaign for the Front candidates in the coming by-elections to the Assembly and the Lok Sabha.

Another resolution has criticised Mrs Gandhi for her statement that the Marxists were obliterating the heritage of West Bengal. Although there is scope for honest criticism of some aspects of its educational policy, it is a lie to suggest that the Left Front is against the country's tradition, Mrs Gandhi's statement the

resolution adds, is politically motivated and the intellectuals should do well to keep away from this movement.

Meanwhile the Socialist Party leader Mr Biman Mitra, said that his party hoped for seat adjustments with the Left Front and its allies in the municipal elections and he had talks with Forward Bloc and RSP leaders. Even if such talks failed, his party which had fought Mrs Gandhi's party most courageously during the Emergency, would never team up with any front led by the Congress (I).

The Socialist Party, he added, supported mother tongue as the medium of instruction from the primary to the university level and demanded that all office communications in the State be made in Bengali. The Left Front's language policy was halfhearted and that was why its critics had got the upper hand.

RESERVE BANK GOVERNOR EXPLAINS CREDIT POLICY

Calcutta THE STATESMAN in English 18 Mar 81 p 1

[Text] Bombay, March 17.--The Reserve Bank has decided to maintain the status quo for the time being in its credit expansion policy. The Bank Governor, Mr I. G. Patel, is expected to convene a meeting of bankers in May this year to review the situation.

Mr Patel told a meeting of chief executives of major scheduled commercial banks here today that in the course of the next two months the bank would formulate its credit policy for next year. At present no change was being made in the existing refinance facilities except that the base of export refinance would be changed from 1978 to 1979 on the same lines as last year.

Mr Patel pointed out that the increased liquidity in the system persisted and the overall monetary trends prevailing at the beginning of the financial year 1980-81 were such as to emphasize the need for continued restraint. The growth in money supply had not slowed down significantly and expansion of non-food credit had also been high.

He expected the demand for food credit in the coming months to be quite large and asked the banks to meet this demand without depending on any liberalization of refinance facilities he asked the banks to ensure that credit expansion did not outpace the increase in output. [as published] The banks should renew their efforts at deposit mobilization and check unduly large credit disbursements.

Mr Patel said that against the background of persistent inflationary pressures and in the context of the need to sustain the economic recovery which began this year, the accent in credit policy would necessarily have to be on achieving relative price stability along with the planned rate of growth in national income.

He referred to the recent changes in deposit rates for stepping up mobilization of resources and rationalization of the structure of lending rates with a view to bringing about better alignment between interest rates on short-term advances and long-term loans. These changes had been effected keeping in view the need of the sixth Five-Year Plan, he pointed out.

In today's meeting the Governor wanted to share with bankers the Reserve Banks assessment of the monetary and economic trends in the coming financial year and to have them views on the subject. [as published]

Mr Patel expected to convene a meeting in May this year when he would discuss several issues of common interest to banks and [word illegible] lending institutions.

Mr Patel indicated that the new policy announced in the budget regarding the larger corporate borrowers to raise a greater proportion of their financial requirements directly. He asked the banks to bear these in mind in implementing the recommendations of the Chore committee without further delay.

CSO: 4220

ARAB PLANS TO CONVERT HARIJANS TO ISLAM REPORTED

Bombay THE TIMES OF INDIA in English 21 Mar 81 pp 1, 9

[Article by K. N. Malik]

[Text] New Delhi, March 20.

Plans to convert poor Harijans to Islam and the setting up of several organisations of journalists, youths trade unions and kisan sabhas with the help of "friendly" Arab countries and Islamic organisations in London and Europe have come to light.

The Union home ministry is perturbed at these developments and is investigating reports on the activities of extreme Muslim organisations, such as Jam'at-Islam.

First reports about concerted efforts to convert Harijans to Islam appeared in a Delhi weekly RADIANCE published by the Board of Islamic Publications. In its June 8 issue of last year it reported a conference on conversion organised in Bangalore in May by the Siddhartha Education Society, a premier Dalit organisation.

At this seminar, a number of speakers talked of quitting Hinduism and adopting Islam. The seminar highlighted the fact that reservations of seats in legislatures, admission quota in educational institutions and job reservation for scheduled caste and scheduled tribes have not been able to ameliorate the lot of Harijans. Members felt the adoption of Buddhism also did not help. Islam, according to most of the speakers, could provide an answer. The report on this seminar said that a Union minister also favoured conversion of Harijans to Islam. The report was not contradicted.

Plans to convert Harijans were later published in ARAB TIMES of Kuwait. Quoting London-based Islamic Cultural Centre's reports, the paper said that plans were afoot to convert 80 million of 120 million Harijans. These poor Harijans could be lured to Islam with financial largesse from oil rich Islamic Gulf states and other Arab nations.

According to this report, 50 Hindu families in India secretly adopted Islam. They were lured by a grant of about Rs. 4 lakhs for an agricultural project.

The Centre's director, Mr. Mohammad Abdul Kheir Badawi, in his report told Muslim nations that the time was ripe for converting poor Harijans. Such a move would raise the Muslim population in India from 80 million to 200 million in the next decade. He suggested sending to India Urdu-speaking Arab proselytisers. These preachers will carry out work discreetly so as not to arouse the suspicion of Hindus.

According to Mr. Badawi increase in Muslim population would ensure better protection for the Muslim minority.

In a sensational story, "New Wave", an English weekly published from New Delhi, disclosed early this week that the Jamaat-e-Islami has decided to set up Islamic trade unions, kisan sabhas and journalist unions. An Islamic journalists' association has been formed under the chairmanship of Mr. S. M. Mallick, editor of Jamaat's Telugu weekly GEETURAI.

This association has its headquarters in Delhi and is proposing a conference some time later this year. The Jamaat has already set up a students' Islamic movement on the model of Bharatiya Vidyarthi Parishad. This organisation has been rallying training camps for Jamaat cadres.

The journalists' organisation was set up after an international conference of Islamic journalists held in one of the Gulf states some time ago. The Jamaat, which publishes 16 newspapers and journals in different languages, sent a representative to this meeting. [as published]

The Jamaat held its four-yearly assembly in Hyderabad in February where it set up expert groups to organise Islamic kisan sabhas and Islamic trade unions. Present at the Hyderabad conference was a representative of world assembly of Muslim youths.

The paper disclosed that the Jamaat has close links with the Geneva-based International Muslim Brotherhood whose general secretary keeps constant touch with Jamaat leaders in India. The Jamaat's representative also attended the summit meeting of the World Islamic conference held in Taif, in Saudi Arabia, in January.

The Jamaat in India has 5,000 active members and 36,000 sympathisers. The Jamaat has already accepted that it receives funds from some Gulf and other Arab countries. One of its youth organisations, Jamaat-e-Tullaba, which wanted to hold an international Islamic youth congress was banned by Jammu and Kashmir government. The J and K chief minister, Sheikh Mohammad Abdullah, publicly accused some of the Islamic countries of sending money to the organisations. Both Tullaba and Jamaat-e-Islami admitted that they were receiving money from the oil-rich Middle East nations.

The home ministry has evaded direct reference to the involvement of Jamaat or any Arab states in the recent communal riots in U.P. and other parts of the country. But the Union home minister and the prime minister have referred to foreign hands behind these riots. The Saudi Arabian embassy in New Delhi denied an allegation which appeared in the press that Saudis were giving money to Haj pilgrims from India, some of whom abetted communal riots.

Apprehension has been expressed in some quarters at the massive grants given by Saudi and some other countries to institutions like Darul-ul-Uloom, a centre for Islamic studies near Moradabad. Two new such centres are also coming up near Moradabad with liberal supplies of funds from Saudi and some other Islamic countries.

The home ministry, which was concerned at these reports, tried to trace Hindu Harijan families who have been converted to Islam and about which the reference was made by London-based Islamic cultural centres. Inquiries reveal that the ministry failed to identify the families. The latest report about the Jamaat's activities is also being investigated. The Jamaat was banned during the emergency along with the RSS.

The Jamaat has been providing funds not only directly from the Islamic countries but also through the Islamic Foundation in London and several other such organisations based in the U.K. and Europe. Dr. Mustufa Tabhan, a representative of the Islamic Foundation attended the Jamaat's Hyderabad conference. Representatives of the U.K. Islamic mission were also present.

Among those present were Sheikh Mabrook, a minister in Saudi cabinet and Abdullah Turki, the chancellor of Riyadh University in Saudi Arabia. Many other representatives who had come to attend a function organised to celebrate the 15th century of the Hijra also attended the Hyderabad function. It may be recalled that earlier some senior officials of Gulf countries including some ministers were denied visas to attend the Hyderabad conference by the government of India.

CSO: 4220

LOWER POPULATION GROWTH FOUND IN A FEW STATES

Bombay THE TIMES OF INDIA in English 20 Mar 81 p 16

[Text] New Delhi, March 19 (UNI).

All the states and Union territories have registered an increase in population--but at different rates between 1971-81 as compared to the previous decade (1961-71).

It is only in Kerala, Orissa and Tamil Nadu and the Union territory of Goa, Daman and Diu that the absolute population increase in the decade 1971-81 is lower than in the previous decade.

The decadal growth rates in the three states of Kerala, Orissa and Tamil Nadu have been much lower than in other states.

While there is an absolute increase in most cases, it is to be noted that in quite a few states the percentage of growth rate in the decade 1971-81 has been lower than that of 1961-71.

This is so in case of Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Orissa, Tamil Nadu, Tripura and West Bengal and in the Union territories of Andaman and Nicobar Islands, Arunachal Pradesh, Chandigarh, Delhi, Goa, Daman and Diu and Lakshwadeep.

However, in the case of Himachal Pradesh and Meghalaya and the Union territories of Delhi and Pondicherry, the growth rates in these two decades are almost equal--the difference being plus/minus one point.

The growth rate in 1971-81 has been higher than the corresponding rate in the decade 1961-71 in the states of Andhra Pradesh, Bihar, Karnataka, Nagaland, Punjab, Rajasthan, Sikkim and Uttar Pradesh and in the Union territories of Dadra and Nagar Haveli and Mizoram.

Incidentally, on the basis of the projections in Assam, the decadal growth rate in 1971-81 is higher than that in 1961-71 while in the case of Jammu and Kashmir it is slightly less than that in 1961-71.

The absolute increase during 1971-81 as compared to 1961-71 is particularly noticeable in the case of Bihar, Rajasthan and Uttar Pradesh.

CSO: 4220

OIL MINISTRY WITHDRAWS DUAL PRICING SCHEME

Madras THE HINDU in English 21 Mar 81 p 9

[Text] New Delhi, March 20.

The Ministry of Petroleum, Chemicals and Fertilizers has withdrawn its earlier order under which the price charged for industrial users of kerosene was raised steeply by about Rs. 1,900 per kilolitre over the price of Rs. 1,382.23 for kerosene used as domestic fuel.

The withdrawal of the order has been ordered under pressure from the State Governments, particularly Maharashtra, Rajasthan and Madhya Pradesh, which pointed out to the Petroleum Ministry that it would be extremely difficult to administer a dual pricing system for kerosene.

The Ministry had received a large number of representations from the kerosene-using industries which had expressed fears that quite a number of units, particularly in the small-scale sector, might have to close down.

The Ministry was earlier in favour of exempting the small-scale units from the higher price but it seems to have come to the conclusion that it would be administratively difficult to enforce such an exemption in favour of the small-scale units.

The Ministry is reported to be unhappy over the opposition from the State Governments to its earlier order that industrial users should pay a higher price for kerosene used as fuel.

The Ministry's case was that there was no justification for charging the industrial users (accounting for a consumption of nearly 500,000 kilolitres of kerosene per year) the same price as for the domestic users as it amounted only to 48 per cent of the import price for kerosene.

The Ministry felt that there was no case for subsidising the cost of kerosene for industrial users. [as published] It was of the view that the industrial users should adopt medium and long-term measures to switch over to alternative fuel. It was also hoping that the differential price would net in an additional annual recovery of about Rs. 16 crores for their refineries.

The State Governments, however, pointed out to the Ministry that administration of the higher price would be extremely difficult as the order would only encourage the industrial consumers who were previously obtaining their kerosene requirements in bulk to obtain them from the retail sellers.

The Ministry was not convinced that it would really be difficult for the State Governments to preclude such clandestine sales by the retailers to bulk consumers. However, since the State Governments persisted with their opposition, the Ministry withdrew its earlier order.

CSO: 4220

RAILWAY MINISTER REPORTS PILFERAGE OF GRAINS

Bombay THE TIMES OF INDIA in English 20 Mar 81 p 15

[Excerpt] New Delhi, March 19 (UNI and PTI).

Massive pilferage of wheat from wagons worth Rs. 50 lakhs in 1980 alone was admitted in the Lok Sabha today by the railway minister, Mr. Kedar Pandey.

Both Mr. Pandey and his colleague, Mr. Mallikarjun, however, pleaded that the railways alone could not be blamed for this. "Very often, the pilferage takes place at the loading point itself," thy pointed out. [as published]

During a recent raid at Subzi Mandi station in Delhi, Mr. Mallikarjun said, the seal of the wagons was found intact. But inside 500 bags of wheat were found missing, clearly indicating that the pilferage had taken place at the loading centre.

The railways were in touch with the Food Corporation authorities.

When Mr. Niren Ghosh alleged that Mughalsarai had earned notoriety for being the biggest pilferage centre in the country with railway protection force personnel conniving actively with anti-social elements, the minister of state for railways, Mr. C. K. Jaffer Sharief, said there were both good and bad elements in the RPF. The administration was trying to check this. He would only appeal to the members not to protect such elements when the railways came heavily upon them.

Mr. Pandey said in reply to a question that wheat worth Rs. 47 lakhs and Rs. 30 lakhs was pilfered in 1979 and 1978, respectively.

Mr. Mallikarjun said that 147 railway officials were arrested during 1980 for their involvement in various malpractices. Of them, 117 were dealt with under the law and the cases of the remaining 30 were taken up departmentally.

CSO: 4220

STEEL AUTHORITY CHAIRMAN REPORTS SUCCESSES

Bombay THE TIMES OF INDIA in English 20 Mar 81 p 10

[Text] Bangalore, March 19.

Steel Authority of India Ltd. (SAIL), hitherto in the red, is expected to fare better this year.

An expected loss of Rs. 30 crores has been liquidated. Because of coordination at the highest level, a sea- change has come about both in regard to coal and power supplies. [as published] Some 350,000 tonnes of ingots have been injected into the economy. The needs of the foundry industry are being met satisfactorily. A sizable extra tonnage of saleable steel will be made after meeting the current gap of 211,000 tonnes.

Mr. Khanna, SAIL chairman, told reporters that a government committee would soon start negotiations with four contenders for setting up the Paradeep steel plant. They were: Davy McKee of the United Kingdom, Mannesmann Demag of Germany, Met-Chem of Canada, and the Romanian government. The Paradeep plant, with a capacity of 3.4 million tonnes, might cost about Rs. 2,600 crores.

Mr. Khanna touched on the possibilities of introducing new technologies in the Paradeep, Visakhapatnam and Vijayanagar steel plants, such as continuous casting, to increase the yield and reduce the demand on power.

Mr. Khanna said that an official team would soon visit Indonesia to persuade that country to buy pellets from the Kudremukh Iron Ore Company, instead of concentrates from Bailadilla. This would be in return for sponge iron from Indonesia.

The Kudremukh unit, the biggest mining undertaking in the country, was completed ahead of schedule in August last under Mr. Khanna's chairmanship of the company. Iran, which should have lifted the Kudremukh ore, according to the India-Iran contract, has not done so and India is in search of a buyer.

For this reason, Kudremukh has slowed down its production schedule since it went into operation seven months ago. It has turned out and stocked so far 60,000 tonnes of concentrates--a quantity which it would have produced in 12 days had Iran carried out its commitment.

In the meantime, the Public Investment Board has cleared a Rs. 86-crore project (the cost may go up to Rs. 126 crores) for starting a plant at Mangalore to convert the Kudremukh ore into pellets. It will be a three-million-tonne plant and can be completed in 30 to 36 months.

According to Mr. Khanna, five bidders--Met-Chem, Lurgi Chemie of Germany, Allis Chalmers of the U.S., Voest Alpine of Austria and the Romanian government--had offered collaboration for setting up the Mangalore pelletisation plant.

/Euro-dollar credit was forthcoming for this plant from Germany and France, Mr. Khanna said. The essential point was that India had developed credibility in the world market and "packages of finance" were being arranged by the bidders./
[in boldface]

Negotiations were also going on for the sale of Kudremukh ore to Bahrain, which had plans to start both pelletisation and steel plants, Mr. Khanna said.

On the "uncertainty" about erecting the Vijayanagar steel plant in Karnataka (for which the foundation was laid by Mrs. Gandhi a decade ago), Mr. Khanna said the government had not ruled out the project. One reason for the delay was that the product mix for the plant was being revised to make it modern.

CSO: 4220

INDONESIA INTERESTED IN PELLETS FROM KUDREMUKH

Madras THE HINDU in English 20 Mar 81 p 1

[Text]

BANGALORE, March 19

The Public Investments Board, Government of India has cleared a project for setting up a three million tonne a year pelletisation plant at Mangalore which will use the Kudremukh iron ore concentrate as its raw material.

According to Mr. K. C. Khanna, Chairman, Steel Authority of India Limited (SAIL) and Kudremukh Iron Ore Company Limited, (KIOCL) who briefed newsmen here on Thursday, the Indonesian steel industry has shown an interest in buying the pellets made from Kudremukh concentrate and it is likely that India might buy back from Indonesia the sponge iron into which these pellets are converted. (Sponge iron is a cheaper substitute for high grade steel scrap which is a basic raw material for the iron steel industry).

A team of officials from KIOCL and the Government of India will be soon going to Indonesia to negotiate the deal.

According to Mr. Khanna, the pellet plant will take about three years to construct and involve an investment of about Rs. 120 crores.

There are only two well-known processes for converting powdered iron ore concentrate into pellets—one developed by Lurgi of West Germany and the other by Alfa Chalmers of U.S. However, five parties have bid for the construction contract of this plant.

They are Mac-Cham of Canada, Lurgi, Alfa Chalmers, Voest-Alpine of Austria and a Rumanian firm. All of them have offered to arrange foreign credit for the project.

In the meantime KIOCL plant had been making small amounts of concentrate just to keep all the equipment in running order.

A trial order of 50,000 tonnes will soon be despatched to Rumania, Bahrain, which is now developing its own steel industry, has shown interest in Kudremukh concentrate and there is a potential market there of up to three million tonnes of concentrate a year. However, Brazil is a stiff competition.

Welcoming the decision of the Union Government to decontrol the sale of rods, bars and wires from April, Mr. Khanna said this move would enable SAIL to wipe out nearly half the estimated loss of Rs. 130 crores for the 1980-81 financial year.

When questioned about new steel plants, Mr. Khanna replied that for the present Paradip was the only definite new project. It would have a capacity of 3.4 million tonnes a year. The investment cost may range from Rs. 12,000 to 14,000 a tonne of installed capacity. Four parties have bid for the construction contract—Overy Mackay of U.K., Mannesmann Demag of West Germany, Mac-Cham and a Rumanian firm.

BRIEFS

MARXIST-LENINISTS TO CPI(M)--Midnapore, March 17.--Seventy-two CPI(M-L) members, including some hardcore Naxalites such as Mr Mihir Rana, younger brother of Mr Santosh Kumar Rana, veteran CPI(M-L) leader and MLA have left the party and decided to join the CPI(M), reports UNI. The announcement was made at a meeting attended by district CPI(M) leaders yesterday. Mr Dipak Sarkar, a veteran CPI(M) leader of the district, said the former Naxalites had applied for joining the CPI(M) and that the applications were being considered. Mr Mihir Rana claims that the district CPI(M-L) committee has been dissolved. Mr Santosh Rana, however, continues to stay in the CPI(M-L) with his followers. [Text] [Calcutta THE STATESMAN in English 18 Mar 81 p 9]

FORMER BIHAR MINISTER--Patna, March 19 (PTI) & (UNI): Mr. Daroga Prasad Rai, MLA and former chief minister of Bihar, died after a heart attack this afternoon. He was 60. Mr. Rai is survived by his wife, five sons and two daughters. A state funeral will be given to him tomorrow. Mr. Rai went to the state assembly today to draw his salary. He was cheerful and offered tea to several members. On returning home he ate and soon afterwards complained of chest pain. [as published] He was rushed to hospital where doctors declared him dead. The chief minister, Mr. Jagannath Mishra, and the state assembly speaker, Mr. Radhanandan Jha, rushed to his residence on hearing the news. Mr. Rai will be cremated at 10 a.m. tomorrow, and will be given a state funeral, according to a government notification. [Text] [Bombay THE TIMES OF INDIA in English 20 Mar 81 p 1]

MEGHALAYA CONGRESS(I)--Shillong, March 19.--The strength of the Congress (I) in the 60-member Meghalaya Assembly today rose to 14 with the joining of Mr P. G. Momin, a former Minister, reports PTI. Mr Momin, a former member of the All-Party Hill Leaders Conference (Ruling) of the Chief Minister, Mr P. B. Lingdoh, in a statement said today that he had joined the Congress (I) as it was the desire of the people of his constituency. [Text] [Calcutta THE STATESMAN in English 20 Mar 81 p 9]

AID FROM JAPAN--New Delhi, March 19. Japan has extended to India a loan and a grant totalling Rs. 25 crores for a hydro-electric project and for debt relief. Notes were exchanged on Monday between the two countries for a loan amounting to four-billion yen (equivalent to Rs. 15.7 crores) for implementing the western Yamuna canal hydroelectric project and a grant of 2.4 billion yen (Rs. 9.7 crores) as debt relief measure. The notes were exchanged between Mr. Masao Kanazawa, Ambassador of Japan, and Mr. R. N. Malhotra, Secretary, Economic Affairs, Finance Ministry. The loan is part of the pledge made by Japan at the Aid India Consortium meeting in Paris in 1979.--PTI. [Text] [Madras THE HINDU in English 20 Mar 81 p 6]

EXPORT OF GEMS--Jaipur., March 19. The Union Commerce Minister, Mr Pranab Mukherjee has expressed concern over the drop in the export of precious and semi-precious stones from the country. Inaugurating an international lapidary exhibition here on Wednesday, Mr Mukherjee said the export of cut and polished precious and semi-precious stones had dropped from Rs. 30.8 crores in 1974-75 to Rs. 27.2 crores in 1979-80. In terms of real value, the drop was still more. He asked those engaged in gem and jewellery trade to make all-out efforts to promote exports so that the country could attain a level of Rs. 100 crores a year in these items. Mr. Mukherjee said the Tandon Committee had placed Rs. 4,500 crores a year as the potential for export of gem and jewellery items by the end of this decade. This could be attained only through hard work. [Text] [Madras THE HINDU in English 20 Mar 81 p 6]

ANDHRA PRADESH BYELECTION--Hyderabad, March 20. Messrs. T. Chandrasekhara Reddi, K V R S Belesubba Rao and Mr. M R Appa Rao, all belonging to Congress (I), were on Friday declared elected unopposed to the Rajya Sabha in the by-election to the three seats from the Andhra Pradesh Legislative Assembly constituency. This was announced by the Returning Officer and Secretary to the Legislature, Mr E Sadasiva Reddi. [Text] [Madras THE HINDU in English 21 Mar 81 p 9]

CSO: 4220

FIVE DEMOCRATIC PARTY REPRESENTATIVES RECALLED

Jakarta KOMPAS in Indonesian 28 Feb 81 p 12

[Excerpts] The Central Committee of the Indonesian Democratic Party (PDI) last Wednesday addressed a formal letter to President Suharto advising the recall of five of its members from the House of Representatives. The letter was delivered to the president through the good offices of the Speaker of the House yesterday.

The five PDI members concerned are Abdul Madjid, Prof Usep Ranawidjaja, Mrs D. Walandouw, Santoso Donoseputro and Sulomo BA. Three of them, namely, Prof Usep Ranawidjaja, Abdul Madjid and Mrs D. Walandouw (plus Drs Zakaria Raib) are known as the "gang of four" or "Haresma faction" for having disowned the validity of the second congress of the political party concerned held last January. Santoso Donoseputro and Sulomo were recalled, because they had attended meetings convened by the "Haresma faction."

Several figures of the party's central committee refused to publicly comment on the issue. Asked by a reporter whether some PDI members have been recalled from parliament, the party's central committee chairman, Hardjanto, retorted: "Are you a member of our central committee?" He declined to explain the true reason for the recall of Sulomo BA and Santoso Donoseputro.

A member of PDI's central committee, who prefers to remain anonymous, told KOMPAS that Sulomo had indeed written a letter to the committee after the latter had informed the president through the House Speaker concerning his recall.

In it, Sulomo denied having taken part in the meetings organized by the group that challenged the legality of PDI's second congress. He said that for one month beginning mid-January he was confined to bed due to illness, and he even fainted once in Semarang. He enclosed photocopies of his doctor's prescriptions and specified the medicines taken.

The five recalled members will be replaced by Marsusi, Adipranoto, Sutopo, Rival and Dr J. Siregar.

Among the recalled members, only Sulomo has submitted a protest in writing, explaining the circumstances surrounding his case, although this move would not change the PDI central committee's decision. No letter of protest was sent by Santoso Donoseputro who was concurrently deputy chairman of Commission VI in the House of Representatives.

Some sources said that Santoso had been out of the country for one month and he did not return to Indonesia until the middle of this month. Therefore, according to the same sources, it is not possible that Santoso attended the meetings convened by the "gang of four."

It was not known whether there was any opposition within the PDI's central committee membership to its decision to recall its five representatives from the House of Representatives.

9300

CSO: 4213/49

INDONESIA

INDONESIAN GOVERNMENT TO FLOAT 10 BILLION YEN BONDS IN JAPAN

Jakarta KOMPAS in Indonesian 25 Feb 81 p 1

[Excerpts] In 1981 the Indonesian government will again sell bonds valued at 10 billion yen (\$50 million or about 30 billion rupiahs) in the Tokyo Exchange, Japan.

Drs Sugito, director general of foreign monetary division of the Department of Finance, explained that technical preparations for the floating of the bonds are in progress.

The proceeds from the sale would be used to finance development projects of 1981-82. This would be the second sale of Indonesian government bonds in Japan.

The first sale took place in the middle of 1978, executed by Nomura Securities Co. This procedure conformed to the valid requirements in Japan which stipulated that the bonds must be sold to banks and financial institutions. If the first sale was successful, then the second issuance of bonds may be done through the Tokyo Exchange.

Director General Sugito said that each buyer of the Indonesian government bonds will earn an annual interest of 7.5 percent within a repayment period of 10 years, including a 3-year grace period.

Besides Japan, Indonesia has issued its bonds in West Germany valued at 100 million Deutsch Marks at 7 percent annual interest with a 10-year repayment period.

Minister of Finance Ali Wardhana said on another occasion that selling government bonds is more complicated than handling a government-to-government loan or receiving aid from an international financial institution.

Selling bonds has no specific guideline, except that it is based on trust in the economic development of the country which floats the bonds.

In other words, the bonds will be acceptable to prospective buyers if the economy of the issuing country has reached a certain stage and it enjoys the full confidence of the buying community, said Ali Wardhana.

If Indonesia had floated its bonds in the international market 10 years ago, only a few people would have been interested in buying them. If nobody wanted to buy them, the credibility of our country would be adversely affected, Ali Wardhana added.

Of course, before issuing its bonds, Indonesia must find a foreign currency which is strong. If the currency is weak, its value will drop in another 10 years.

Therefore, Indonesia has chosen to sell its bonds in the Japanese yen, because the yen has been regarded as one of the strongest currencies.

Apart from that, Indonesia realizes that the Japanese community has excess liquidity.

9100

CSO: 4213/49

The new director general of Basic Metals Industry added that in facing the forthcoming 4th Five-Year Plan, we must be capable of manufacturing the needed machineries ourselves. "We are moving toward this direction in line with the General Outline of State Policies (GBHN = Garis Besar Haluan Negara)."

Ir Eman Yogasara was born in Jakarta on 10 June 1933. He graduated from a West Germany university with a degree of Master of Metallurgy in 1960. He has been working with the Department of Industries since 1966, starting as director of Multi-Metals and lately as director of programming to the Directorate General of Basic Metals Industry. He is married, with two sons and a daughter.

According to Suhartojo, the investiture and transfer of authority for the director general of Basic Metals Industry will be held after the return from Australia of Minister of Industries A. R. Suhud in early March.

9300

CSO: 4213/49

CICA URGED TO DISCHARGE ITS SUPERVISORY FUNCTION

Jakarta KOMPAS in Indonesian 26 Feb 81 pp 1, 9

[Text] President Suharto has asked the new chairman of the Capital Investment Coordination Agency (CICA) (Badan Koordinasi Penanaman Modal--BKPM) to discharge its supervisory function by reminding newly-licensed enterprises, foreign or domestic, of their obligations in the field of capitalization and manpower.

This was divulged by CICA's new chairman, Ir Suhartojo, after his meeting with the president at the latter's residence on Jalan Cendana Wednesday, accompanied by Ir Eman Yogasara, the new director general of Basic Metals Industry, Department of Industries. "We reported the change of our duties to the President," said Suhartojo.

Suhartojo explained that after issuing the legal permission for operations to a new enterprise, the CICA continues to carry out its supervisory work, basically done by its regional offices.

However, Suhartojo added, CICA has a Bureau of Supervision whose function must be intensified. CICA has the authority to take action against any enterprise which violates regulations.

Ir Suhartojo was appointed chairman of the CICA to replace its provisional chairman, Ismail Saleh, who has been appointed as attorney general. The transfer of authority and investiture of the new official will be held at the CICA head office on Jalan Gatot Subroto on 27 February.

According to Suhartojo, President Suharto told Eman Yogasara the special significance of basic metals industry, because Indonesia will embark on her 4th Five-Year Plan a few years later, during which period the country must begin developing industrial machineries for agriculture, fishery, plantation and oil industry.

Therefore, the appointment of a new director general of Basic Metals Industry carries a special meaning; at present Eman Yogasara holds the post of head of Directorate of Programing to the Directorate General of Basic Metals Industry, Department of Industries. "During the past 15 years, I have done a lot of talking," said Suhartojo, "while Pak Eman has served as the brains."

FOREIGN INVESTMENT POLICY REVIEWED

Jakarta KOMPAS in Indonesian 28 Feb 81 pp 1, 9

[Excerpts] The main obstacle to intensification of foreign investment in Indonesia is the difficulty in finding bona fide Indonesian partners and also Indonesian entrepreneurs capable of supplying the minimum 20 percent requirement of the shares capital.

Ir Anwar Ibrahim, first deputy for Promotion and Planning, Capital Investment Coordination Agency [CICA] (Badan Koordinasi Penanaman Modal—BKPM), made this remark to reporters at the CICA auditorium Wednesday, after presiding over a meeting with a four-man Pakistani delegation to discuss economic cooperation and investment in Indonesia.

According to CICA regulation, each foreign investment in Indonesia must take the form of a joint venture with an Indonesian partner. Since 1974, it has been stipulated that the participation of the Indonesian partner in such a venture must at least be 20 percent of the shares capital, but not the entire investment capital.

"However, it has turned out that not many Indonesian businessmen have made good use of this opportunity. In general, the attitude of Indonesian entrepreneurs is quite passive," said Anwar Ibrahim.

To a foreign businessman, investing capital in Indonesia represents his first choice. For Indonesia has the potentials he aspires, including raw materials, a large population to market his products to, plenty of energy sources and, most importantly, political stability. Compared with other countries today, such as South Korea, Iran, Thailand and even the Philippines, Indonesia is regarded as the most stable of them all. It is this political stability that a foreign investor cherishes most for the smooth operations of his business venture.

Under such conditions in Indonesia, foreign entrepreneurs from Europe, Japan, Asia and even the United States have expressed their intentions to invest in this country, while the Indonesian government needs foreign capital to implement its huge-budget major projects.

According to Anwar Ibrahim, it is not easy for a foreign investor to find an Indonesian partner who is fully qualified for the joint venture. After making initial contact, the Indonesian side usually wastes opportunities for follow-up moves, thus the contact is broken.

In their effort to find foreign capital, Indonesian authorities have done some promotional work through meetings with foreign businessmen, the United Nations Industry Development Organization (UNIDO) and international banking channels interested in capital investment here. This promotion forms part of a diversification effort, but it must be matched by Indonesian entrepreneurs who are to be solicited as business partners.

Another problem which presumably is beyond the capability of Indonesian businessmen involves the supply of capital.

In fact, said the CICA first deputy, the problem of capital supply can be solved if the entrepreneurs are willing to collaborate with one another. They can join hands to form a limited company and then collectively set up a partnership with the foreign side. But this plan is not easy to be carried out.

Another way to accumulate the required 20 percent capital is for the entrepreneurs to cooperate with non-banking financial bodies, such as UPPINDO (Action for Financing Indonesian Development), or some other financial institutions. These bodies are willing to put out 15 percent of the capital, while the remainder is supplied by the entrepreneurs.

Anwar Ibrahim expressed his hope to the Bank of Indonesia to the effect that the newly-promulgated banking policy, which permits government banks to financially participate in indigenous enterprises, may be utilized to help indigenous entrepreneurs in the latter's joint ventures with foreign investors.

The Capital Investment Coordination Agency (CICA) acts as a "match-maker" between foreign investors and their Indonesian partners. The CICA has prepared a list of bona fide Indonesian entrepreneurs worthy to become partners for joint ventures. The list mentioned the names of 57 Indonesian enterprises to be offered to their foreign counterparts. A prospective foreign investor may choose as his partner from among this list of enterprises which include various lines of business, unless he has already got one in the first place. He is not forced to do so, though, and in fact he may look for one partner somewhere else.

Other obstacles to the intensification of foreign investment include the flow imported goods into Indonesia, high cost of production at home, and lack of technical experts.

9300

CSO: 4213/49

SOLON DISCUSSES IMPLICATIONS OF FOREIGN AID

Jakarta WAWASAN in Indonesian No 4, 1980 pp 34-39

[Interview with Prof Usep Ranawidjaja, PDI Representative in Parliament]

[Excerpts] What is your opinion about the economic development which depends on foreign aid and has increased so much recently?

This touches on the matter of the development strategy being carried out by the government which from the beginning of the New Order [present government as opposed to the past government called Old Order] to the present has given priority to reliance on the potential found in capital from other countries. The main goal to be achieved has been to catch up where we have been behind, particularly in the economic sector, so that there could be progress in every sector in a short period. It is true for every developing country as it is for Indonesia that it is impossible to catch up in development quickly without aid. Without aid development must be slow. So aid is a necessity.

What is needed by developing countries is capital and technology. It must be admitted that both capital and technology are very scarce, as there are more countries needing them than the amount of capital and technology available for use. So capital must be sought and there are a limited number of countries who have it. As I see it, the countries with capital available are the developed countries of the west. Countries of the eastern block still have a lack of capital. Also those with the latest and most advanced technology are the western countries. So the western world has more than the eastern world in the field of technology, as regards peaceful uses rather than for war. We must therefore have an orientation to the west because it has more capital and more advanced technology. And at the present this policy is being followed by the government and I have no objection to this.

But what must be reviewed is the consequences of our position as a "borrower" that is continually dependent on the capital of others who certainly won't make loans of their capital or provide their most up-to-date technology if they don't profit in every way. We must constantly keep in mind our position as the one seeking capital and technology. Therefore we must be continually

on guard against the potential efforts and aims of other countries and international economic forces to make the maximum profit they can.

We may be sure that there isn't even one wealthy or advanced country that will act out of philanthropic concern and will give without expecting something in return. We must understand that every advanced country in addition to having its own independent interests as a nation, also has collective interests too. Every country's own interests are that its people make more progress, its economy becomes stronger and its progress is more dynamic. In addition it wants its collective interests among other developed countries to be more guaranteed.

In the face of such realities, we must be careful. Because we are a developing country that needs capital and technology and that also has large resources of wealth, we could become the object of pressure and exploitation by those providing aid. We must carefully watch out for ourselves. Even though our position is one of weakness, it should not be further weakened by our taking the wrong steps or having the wrong basic policies as we face those nations having positions of strength.

What kind of challenges will emerge shortly?

We have a strong foundational basis to guide our country in safeguarding the interests of our nation and people and in repulsing efforts to destroy us from without. This basis is found in the tenets of the Pancasila [ideological basis of the country] which has already been approved by the people and in the basic policy of free and active politics in our foreign relations. On this [two-fold] foundation we can protect ourselves from falling into the traps set for us by other countries which are related to the global strategy of those countries or groups of countries.

It is impossible for them to take any action apart from their global strategies. Therefore we must surely take into account that every power they have will be used to enable them to expand their influence. Included in this will be the using of those countries whose positions are weak as "agents", resulting in their sovereignty being eroded.

With the injection of capital and technology from the developed countries along with the large amounts of capital controlled by multi-national corporations, in accord with the open door policy of the government, then a different economic system from that required by the Pancasila has been introduced. The economic pattern which has been established and is continuing is simply and solely a liberal capitalistic pattern.

If this capitalistic economic policy takes root, we will experience difficulties in releasing ourselves from it, because our need for capital won't end any time soon.

At present our economic life is being more and more controlled by foreign and non-indigenous capital while the role of national economic groups is continuing to decrease and grow weaker until at some point they will be without meaning as an economic force.

According to records, the situation in August 1974 showed that investments of foreign capital reached \$4 billion in 754 projects. This huge amount of capital was controlled by multi-national corporations which had no other goal or purpose apart from gaining as much profit as possible. These corporations know nothing of justice and humanitarianism. They can be as cruel as a predator can be in dealing with their prey. They can interfere in the affairs of the host country where they operate and have interests. They are able to and have the tendency to systematically destroy the political sovereignty of the country concerned.

Foreign capital is attracted by the cheap work forces available in large numbers and by the availability of large natural wealth resources. They have a large potential for marketing their industrial products and give the appearance of political stability on the surface. In addition, foreign capital receives guarantees and is given what it wants by the government and these are very attractive. This includes the guarantees that they won't be nationalized for 30 years, tax holidays which are given for 2-6 years, freedom from tax on imports of machinery, equipment and raw materials, etc needed by the foreign companies along with a foreign exchange system which is helpful in transferring the profits to the country providing the capital.

With the ever increasing dominance of the position of foreign capital at present, we will become farther and farther from our goal and will more and more depart from the course laid down in the 1945 constitution.

Can you elaborate on the dependency that has already occurred?

Dependency in the economic sector inevitably results in dependency in the political sector. So if we want to take a stand or have a policy or make a political decision, whether domestic or in international relations, we must consider and evaluate the expectation of the country that is providing us aid. And not only their expectations but from time to time their desires or the conditions they impose so that we might adapt to the strategy they are carrying out.

Dependency can not be resisted even in the defense and security sector. For example, if we continue to need increasing amounts of aid, then it is expected that we should not have any objections to helping the U.S. with fuel oil re-fueling facilities and then increasing to other facilities such as food, water, harbors and much more for their ships passing through Indonesia to the Indian Ocean. All of this is in accord with their efforts to gain supremacy

in the Indian Ocean which at present is being contested by both super powers.

This is an example of how continuing dependency in the economic sector is related to the necessity of adapting oneself to the expectations and desires and concessions of the global strategies of the stronger countries. The great risk is that we won't be sufficiently careful. Therefore we must plan and regulate our activities in such a way that we won't fall into the strategic or ideological traps of those countries who are in a strong position and that have capital and technology which causes us to greatly desire their foreign aid.

Is there any agreement between the government and the Parliament [DPR] regarding foreign aid?

Up until the present, foreign aid has been in the form of a commitment between the government and a foreign party. It is as if the DPR only receives a report notifying them of certain things to be put into the budget that in reality are a fait accompli. This really isn't the proper way.

All debt contracts with other countries must be discussed beforehand with the DPR, have the approval of the DPR and then be ratified by the government. This is the normal procedure. But what is now taking place is that the DPR only approves the budget proposals and is considered to have approved the foreign debts with other countries. And these debts are now increasing every year.

Foreign debts which totaled \$2.5 billion in 1966 have now increased to \$19.5 billion in 1979. By the end of Repelita III [Third 5-year development plan] in 1983 it is predicted that Indonesia's foreign debts will be \$28.4 billion. And by the 25th anniversary of the establishing of the New Order in 1990 we will have debts totaling \$53.7 billion. All of this was surely planned by the government in agreement with outside powers apart from the DPR. The DPR hasn't been consulted.

The very best way would be for the DPR to function as a corrective force to the government. To be able to function as a corrective force, then political development must change from what it now is.

It may be said that the majority in the DPR is from the Golkar [Functionary Group] and with the additional of 100 members from the Indonesian Armed Forces, they guarantee support for the government but in reality they are controlled by the government. This is not a corrective force to the government, because those appointed to the positions of leadership are acting under authority from above and can't decide on their own what is right for the people. It is meaningless and because of this the DPR doesn't function as a democratic institution.

If a democratic institution doesn't function as a democratic institution, then there is no corrective power for the people against those in authority.

Herein lies the mistake of the political development now being implemented and which will increase. This is a danger to us all.

How do you feel about the pattern of how foreign aid is being used?

As I see it the pattern of how foreign aid is being used is actually aimed at the development of the ways and means needed to expand our economic life. That is good and I feel proper.

However the problem lies in the implementation of development efforts. If there isn't the proper amount of effective supervision, there will be a great deal of deviation and irregularity or manipulation, so that a great deal of the aid received won't reach the maximum goals.

If, as described by several economic experts, a 30 percent leakage is occurring, and I consider that a minimal figure, then this is a bad thing.

If there were effective controls by the public in various forms it would doubtless reduce this by a large amount. I feel that it can be said that manipulation has now become a way of life in every sector because there are no public controls.

Power is now sovereign while what ought to be sovereign in a democracy is law. If we are building a political life then it must be ordered so that the people are sovereign and not power. By power I mean the group that occupies the place of power. It must not be allowed that power is sovereign, but rather law. Those who occupy positions of authority must be subject to and be bound by law. Neither breaking of the law nor deviation from the 1945 constitution and the ordinance on political parties must now be allowed to occur. But at present it is happening. So this means that if we want to discuss economic matters, they can't be separated from discussions on political matters as the two are tightly interwoven.

Economic development is often linked to political stability. What is the goal?

What is important is that in the understanding of political stability there should be no disruptions in the form of rebellions or large scale violations of law by forces that want change. That is what political stability really means. It doesn't mean to perpetuate the powers that be. In fact in order to guarantee that radical efforts for change don't take place in a political system, efforts must be made so that the people give approval to the existing system by supporting it. If there is no public support, no public approval then the people will desire a change.

What can be done so that the people won't want to change the political system? The only way is that the political system must be in accord with the people's desires, and not just in accord with the desires of those governing. The political system doesn't have to be in accord with the desires of those in power.

If it is only in accord with the desires of those in power, this would mean that stability would only be in appearance, a shadow and the people really won't want it to continue. The lack of stability under the surface would be mirrored intangibly by the people because they are fearful to reveal it more concretely, but in reality the strong desire of the people for changing the situation would still be there. This would be a political liability, which wouldn't be good.

We must endeavor that on the surface as well as under the surface, there are no efforts being made to change the situation. There should be no need for change in even one sector of existing life and only then will we reach political stability. The prescription is that the people must get the opportunity to participate spontaneously, freely and without fear or anxiety. This is what will guarantee stability.

At present several types of anxieties grip the people's souls during this New Order period which we boast about. There is the anxiety of being accused of being an adherent of liberalism, communism or of being anti-Pancasila. There is the fear of being considered as an opposition group against the government, as a defender of the Old Order or perhaps as a subversive group. All these fears and anxieties cause many people to be hypocrites, to play act, to play cat and mouse or hide and seek. This kind of situation is very dangerous.

That which we ultimately depend on for getting foreign aid is the human and natural resources which we possess. What about their potential and role at present?

As regards using aid, the short term goal is to make profits from the natural resources available. But the long range goal is to be able to develop the potential human resources in Indonesia into a large economic power. In the long run it is more important to develop the human resource.

Take the example of Japan. What are its natural resources? What is important there is the human resource which has such great capabilities that it can create and produce all kinds of industrial products and dominate the world.

At present we are in a fixed development pattern in which too little attention is being given to the development of the human resource. For example at present only 6 percent of the budget is for education, whereas we have set

as our goal for some time as a part of the New Order's pledge that it should be 20 percent. What is meant by education is general education and not training courses and upgrading.

With only 6 percent how can we catch up as a developing country? We must realize that our being behind is in the human resources and in reality foreign aid can be used in ways to develop this.

When will debts become unnecessary?

Debts must be in accord with our ability not to be bound by them. We should not continually be in a weak position both economically and politically because of those debts. We can carry far greater debts than we planned to as is true at present. But we must be in a position to be able to destroy the possibility of political bondage. And we must be able to destroy the possibility of entering into the strategy traps laid for us by other forces. For this there must be political power that can face this. And the political power that can face this is the power of the people and not the power of the one group in power.

So that is the importance of democracy. If democracy is truly implemented, it is the strongest force Indonesia has in facing anyone, or any of the super powers. So it is very important to develop a strong economy. The democratic development of politics means carrying out the Pancasila and the 1945 constitution genuinely and responsibly.

Our debts won't become a burden to the coming generation. What is your response to this?

There is no relevance to whether the debts are a burden to this generation or to that which will be here 10 years from now or several hundred years from now.

What is important is that the debts are now owed by a country whose position is too weak to break the bondage of dependency. We must develop Indonesia's position so strong with the system we use that the Indonesian nation and people are a great power which has the strength to carry its debts. It is not a matter of generations. There is no relevancy in that.

What is the difference between the Old Order and the New Order as regards outlook?

The Old Order which surfaced in the middle of 1959 was actually considered as not giving proper attention to economic development so that there was little effort to run up debts. The total amount in 1966 was only around \$2.5 billion. At the time it was considered large and drew criticism

from the people. A large part of that aid was for military needs and this helped win the struggle for West Irian (Irian Jaya). Our loans were received from both eastern and western block countries and it can be said that these were in balance. This balance was deliberately created so that if there were pressures applied, then moves could be made to the other side. There would be another alternative so that not all of our dependency would be on one side.

At present it can be said that almost 100 percent of our loans come from one side, the western block which has a specific strategy as a block.

Only a very small portion of our present total debts is for military development. So there is a difference balance from before when almost half was for the military.

7785

CSO: 4213

STRUCTURAL CHANGE IN WORLD ECONOMIC SYSTEM ADVOCATED

Jakarta KOMPAS in Indonesian 28 Feb 81 pp 1, 12

[Excerpts] A structural change to the global economic system is seriously needed. Such change, if carried out through negotiations and cooperation in good faith, would bring much greater benefit to the world's economy in its entirety than what could be attained by nations individually, if the structural change were allowed to run its own course.

Thus said Prof Dr Johannes Baptista Sumarlin, 48, minister for the improvement of state apparatus and concurrently deputy chairman of the National Development Planning Board (BAPPENAS) in his confirmation speech as full professor of the College of Economics, University of Indonesia, yesterday. His 29-page-long lecture, entitled "The Development of Third World Countries in the Interdependence of World Economy," with a bibliographic appendix, was read by him at the university auditorium in two hours' time.

Professor Sumarlin noted that the present world economic system has many shortages and weaknesses. "Viewed from the interests of the Third World, these shortages and weaknesses have caused much commotion and are being less relied upon by industrial nations themselves. Also, they have given rise to possibilities for a positive contribution of a new economic order to resolve world economic problems that would benefit both the North and the South. All this shows that a structural change to the world's economic system is indeed necessary," he said.

He pointed out that the discrepancy in income between developing countries and industrialized nations may not change much relatively speaking, but it is shocking in absolute terms. The average per capita income for developing countries was nearly 7 percent of that in industrialized nations in the year of 1950, while in 1975 the figure stood at about 7.5 percent. In absolute terms, however, the gap was more shocking, from \$2,198 in 1950 to \$4,840 in 1975. "In this connection, David Morawets indicated that most developing countries will not be able to close the discrepancy in income, even on a long-term period," said Prof Sumarlin.

Moreover, developments in the fields of international trade, foreign aid, availability of funds and the role of transnational corporations--all these have created shock-waves and social disparity which are generally detrimental to the position of developing countries and which widen the gap from the industrial nations. He said

that from the liberalization of international trade to the "modern mercantilism," all these in the long run will further isolate the developing countries which were lagging behind in the first place.

The flow of foreign aid from industrialized nations has shown a development which leaves much to be desired, according to Prof Sumarlin, whether measured from the absorption capacity of the developing countries or the commitments of industrialized countries in helping the implementation of the 10-year development of the United Nations. The execution of official development aids from member countries of OECD (Organization for Economic Cooperation and Development), the amounts of which were small at the beginning, have become smaller, and farther from the target 0.7 percent of GNP as resolved by the UN General Assembly for the 2nd International Development Strategy.

World Bank's data have shown that aid from OECD nations to developing countries reached 0.51 percent of the national income of the said OECD members in 1960. In 1980, the aid dropped to 0.34 percent of their GNP.

Aid from the wealthiest nation on earth, namely, the United States, has also markedly decreased in recent years, from 0.53 percent of its GNP in 1960 to 0.18 percent in 1980. "Even the new government under President Reagan has further reduced its foreign aid," said Prof Sumarlin.

As regards the trend of other capital, Sumarlin said that apparently the efforts of developing countries to obtain funds for their national reconstruction are meeting with hindrances from industrial nations. Recently, after much debate, the UN Negotiation Conference agreed to set up a "Collective Fund" on 28 June 1980 for various primary commodities to stabilize export revenues of developing countries. "However, it is generally apparent that industrialized nations are reluctant to give a positive response concerning protective efforts for the exports of developing countries," he said.

He continued that transnational corporations in general do not serve the best interests of developing countries. Mostly owned by industrialized nations, their activities tend to exclude developing countries, instead of accepting them.

Johannes Baptista Sumarlin was born in Ngadiredjo village, Nglugok subdistrict, Blitar regency, East Java province on 7 December 1932. He is married to Theresia Sudarmi, and they have five children.

After graduating from the University of Indonesia as a Master of Economics in April 1958, he furthered his studies at the University of California at Berkeley, California from which he graduated with the degree of Master of Arts (Economics) in June 1960 [sic 1960?]. Subsequently, he obtained his Ph.D. degree from the University of Pittsburgh in December 1968.

9300

CSO: 4213/49

MOSCOW REPORTS ON CONSTRUCTION OF ROUTE 9

BK271327 Moscow Radio in Lao to Laos 1130 GMT 25 Mar 81

[Text] Stanislav Blazhenkov, our correspondent stationed in Vientiane, reports that the construction of a major highway in accordance with the 1981-1985 LPDR socioeconomic development plan is intensively underway. This highway links the capital of Savannakhet Province in southern Laos with a Vietnamese seaport in the Gulf of Tonkin. This highway is the strategic Route 9 which was formerly used by the Lao patriotic forces to smash their enemies during the war of national liberation.

After the end of the war, Lao builders have worked energetically to restore and repair this road. The road was severely damaged at numerous locations by the tens of thousands of bombs dropped on it. Even though the road was unservicable and several bridges were destroyed, communication along this road was reactivated right after the establishment of the LPDR. Bomb craters were filled with dirt to make the road passable and barges have been used to ferry vehicles across many rivers and streams.

As a result of the implementation of the national economic development program, and due to the necessity of transporting aid materials from the various socialist countries to Laos, the road has to be repaired and improved to make it a modern and durable communication route. The road links a Vietnamese seaport with Route 13 in Laos, a principal artery linking northern and southern Laos.

In view of the implementation of a policy by some Thai rulers who have been instructed by Beijing to carry out provocations along and unilaterally close to the Lao-Thai border, the construction of Route 9 is of great significance to the new Laos.

The construction of this important project during the LPDR's first 5-year plan is being undertaken with assistance from the CEMA member countries. These countries have participated in mapping out many projects to repair this road and its bridges. The asphaltting of the road is being carried out by Vietnamese technicians. At the same time, technicians from other socialist countries have also planned to build certain portions of the road, including five bridges. With the cooperation of Lao technicians, these bridges will be constructed by technicians from Bulgaria, Hungary, Poland and the CSSR. A team of Bulgarian technicians has already begun a construction project.

For construction purposes this road will be divided into four portions. The first two portions, which start from the capital of Savannakhet Province, are the responsibility of the Lao communists. As part of the preparations to build this road, some living quarters have already been erected for technicians and a number of youths have been assigned to various areas along the road. These Lao youths happily said that they are constructing this road for (national development).

The third 140-km stretch of this road, which begins from km Marker 200, is the responsibility of the Soviet Union. Modern equipment and machines will be used to construct this portion. Soviet technicians have taught Lao workers how to use this modern and complicated equipment. Chief Soviet technician (Vladimir Kutnezhev) said that between October and December last year alone they managed to teach 198 Lao workers how to operate trucks, bulldozers and cranes. They are now operating these machines at various construction sites. With the cooperation of Lao friends, he said, we have fulfilled our pledge to complete the construction of certain projects ahead of schedule to welcome the 26th CPSU Congress.

The construction and expansion of this road is being carried out thanks to the cooperation of the fraternal socialist countries. Such a gesture represents a peace front along this strategic road.

CSO: 4206/47

GOVERNMENT CONCERNED OVER ADVERSE TRADE BALANCE

Bombay THE TIMES OF INDIA in English 20 Mar 81 p 17

[Article by Mavin Kurve]

[Text] Kathmandu, March 19: The Nepal government has taken a serious view of its huge adverse trade balance and payments position, especially with India, and the crippling impact of the rising oil prices on the economy.

A review and restructuring of the kingdom's foreign trade, foreign exchange and customs policies is expected after the coming elections.

During 1975-80, Nepal had to convert into Indian currency over Rs. 2,000 million worth of hard-earned foreign exchange to pay for trade with India. The need persisted in 1980-81.

About the serious balance of payments position, it is officially understood that most of the foreign assistance, totalling Rs. 13,050 million, is needed to wipe out the adverse balance of payments, expected to total Rs. 12,340 million.

The government fears that the foreign exchange expected to be earned annually by 1985-86 will be utilised in paying for the rising prices of petroleum, diesel, kerosene and lubricants for that year alone.

"Neutral Evaluation"

Nepal's sixth plan, which was recently approved by the National Development Council, recommends that henceforth the Indian market should be treated on a par with overseas export markets and priority should be given to 'neutral evaluation' processes in reconsidering foreign exchange rates, export and import levies and customs.

This should be of interest to India which has signed a five-year trade treaty with Nepal, expiring in March, 1983. The inter-governmental committee is to meet soon to review the experience in implementing the bilateral trade and transit arrangements and co-operation to curb unauthorised trade across the open border.

In this context, it is interesting to note that Kathmandu has accorded "first priority" to the proposal to "scientifically regulate the open international border" with India and to do away with restrictions on starting industries with imported raw or semi-processed materials for fear of re-export to India.

CSO: 4220

BRIEFS

CUSTOMS LEVIES REDUCED--Kathmandu, March 20: The Nepalese government today announced reduction in its customs levies and sales tax on tea, coffee, ghee and edible oils. The finance ministry, in a press note, said the government wanted to bring about uniformity in customs levies between imports from hard and soft currency areas so as to reduce its trade gap and improve the balance of payments position. The ministry admitted that the decision might cause a short-term adverse impact on revenues, visualised in the current year's budget but added that the step was vital. It intended to use monetary and fiscal measures to bring about uniformity between imports from both regions--those needing foreign exchange and those needing Indian currency. [Text] [Bombay THE TIMES OF INDIA in English 21 Mar 81 p 13]

CSO: 4220

ISOC OFFICIAL ON COUNTERINSURGENCY OPERATIONS

BK170502 Bangkok Domestic Service in Thai 0000 GMT 17 Apr 81

[Text] Colonel Bancha Thongloi, representative of the Internal Security Operations Command, has reported on the suppression of communist insurgency activities during the 13 March-2 April period as follows:

During the period under review, there were no major armed insurgency activities. There were no indications that the insurgents will change their principle methods of operation. Officials conducted continual suppression operations against insurgents and successfully attacked and destroyed their bases in every region of the country. Civilian volunteers, soldiers and policemen applied constant pressure against the communist insurgents. Government actions resulted in 67 clashes with the communist insurgents--12 clashes in the central region, 9 in the northeast, 20 in the north and 26 in the south. During these clashes a total of 14 communist terrorists and terrorist bandits were killed and 4 others were injured. A number of weapons were captured by suppression officials.

Political operations, including the training of officials, ordinary citizens and various mass groups--the Thai National Defense Volunteers in particular--have continued during the period and played an important role in maintaining local peace and security and national security and survival. The implementation of the voluntary development and self-defense project has continued. At present, this project covers 3,755 villages throughout the country and more villages will be organized under this project to provide training to more people.

The political operations have achieved good results and have decreased the united fronts of the Communist Party of Thailand. A total of 99 persons misled by the communists--1 from the central region, 60 from the northeast, 7 from the south and 31 from the south--surrendered to the government.

CSO: 4207/31

END

END OF

FICHE

DATE FILMED

30 April 1981

D.D.